SENATE—*Wednesday, September 13, 1995*

(Legislative day of Tuesday, September 5, 1995)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. Today's prayer will be offered by guest chaplain, Pastor Richard Laue, Calvary Bible Church, Burbank, CA.

PRAYER

The Reverend Richard Laue, pastor of Calvary Bible Church, Burbank, CA, offered the following prayer.

Our Sovereign God, we bow our heads, we open our hearts that our lives as well as our lips might give You praise. We worship You, we love You, we honor You for the abundant blessings and immeasurable grace that You have poured out upon us as a nation. We thank You today for the Senate of these United States of America. We pray that You might open the windows of Heaven and pour out upon these our governmental leaders that You have chosen, wisdom and knowledge that they might lead us in the direction You have established.

May every soul from coast to coast and border to border be subject to the governing authorities that rule over us, because we know there is no authority, except what You have established. Remind us, Lord, that those who ever resist the authority resist the ordinance of the Almighty God, and those who resist will bring judgment upon themselves. We have learned from experience that rulers are not a terror to good works and obedient living, but to evil in the world. Remind us frequently that rebellion and anarchy bring judgment.

Remind the citizenry and the leadership of this Nation that when we "sow the wind, we shall reap the whirlwind." Burn into our thinking and our decisionmaking that text of Scripture, "Be not deceived for God is not mocked for whatsoever a man (or a nation) soweth, that shall he also reap"—Galatians 6:7.

Help us to encourage the weak, lift up the fallen, and heal the wounds in our Nation. We pray that the blessing and the benediction of Almighty God might rest upon the Senate of these United States of America. To God be the glory. Amen.

FAMILY SELF-SUFFICIENCY ACT

The PRESIDENT pro tempore. The clerk will report the pending bill.

The assistant legislative clerk read as follows:

A bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

The Senate resumed consideration of the bill.

Pending:

Dole modified amendment No. 2280, of a perfecting nature.

Moseley-Braun amendment No. 2471 (to amendment No. 2280), to require States to establish a voucher program for providing assistance to minor children in families that are eligible for but do not receive assistance.

Moseley-Braun amendment No. 2472 (to amendment No. 2280), to prohibit a State from imposing a time limit for assistance if the State has failed to provide work activity-related services to an adult individual in a family receiving assistance under the State program.

Graham/Bumpers amendment No. 2565 (to amendment No. 2280), to provide a formula for allocating funds that more accurately reflects the needs of States with children below the poverty line.

Domenici modified amendment No. 2575 (to amendment No. 2280), to strike the mandatory family cap.

Daschle amendment No. 2672 (to amendment No. 2280), to provide for the establishment of a Contingency Fund for State Welfare Programs.

Daschle amendment No. 2671 (to amendment No. 2280), to provide a 3-percent set aside for the funding of family assistance grants for Indians.

DeWine amendment No. 2518 (to amendment No. 2280), to modify the method for calculating participation rates to more accurately reflect the total case load of families receiving assistance in the State.

Faircloth amendment No. 2608 (to amendment No. 2280), to provide for an abstinence education program.

Boxer amendment No. 2592 (to amendment No. 2280), to provide that State authority to restrict benefits to noncitizens does not apply to foster care or adoption assistance programs.

Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDENT pro tempore. The Senator from Illinois is recognized.

AMENDMENT NO. 2471

Ms. MOSELEY-BRAUN. Mr. President under the previous order, there is to be a final 10 minutes of debate on two pending amendments which I offered. The vote is to occur at 9:10 this morning. Therefore, in light of the fact that we have about 7 minutes left, I will be very brief and succinct in describing the two amendments.

At the outset, I would like to submit for the RECORD an article in the Washington Post yesterday by Judith Gueron, which talks about the way out of the welfare bind. There is one line in particular that I call to the attention of my colleagues, and the Senator from Pennsylvania, who is on the floor and working this legislation. She talks about time limits and she concludes that they should be tested. Then she goes on to say:

> But given the public expectations, we cannot afford to base national policies on hope rather than knowledge. The risk of unintended consequences is too great.

Now, the point of these amendments is to at least provide us with some security against unintended consequences. I believe the two amendments pending will go to the heart of the debate about welfare reform. Are we, as a national community, going to maintain a national commitment to poor children, or are we going to gamble with the future of millions of children?

I remind my colleagues, in the discussion that we have had that there are some 14 million AFDC welfare recipients; 5 million of those people are adults, but 9.6 million—almost 10 million of them—are children. Work is important and certainly we all support work for adults. But it is the children who have been forgotten, I think, in this debate and who are the unintended targets of this debate and who will suffer if there are any unintended consequences of our policymaking.

Some 60 percent of the children of the AFDC recipients are children under the age of 6. So the first amendment suggests, or asserts, really, that these 9 million children, 60 percent of whom are under the age of 6, are too precious to take a gamble that the States will construct programs that will, in fact, work, and that we, therefore, make a national commitment by allowing for the child vouchers. We can make a commitment that we will not allow children to go hungry or to become homeless; nor will we allow a child to become subject to the vicissitudes of misfortune or accidents of geography. As a nation with a $7 trillion economy and $1.5 trillion Federal budget, I believe that we can provide a minimum safety net for poor children.

This amendment provides for that safety net by requiring the States to provide vouchers for poor children who live in families that may be ineligible or kicked off, or somehow or another not eligible for assistance because of rental circumstances.

This amendment seeks to hold the child harmless, to protect the child even from the behavior of their parents. If anything, Mr. President, it seems to me that we ought to provide some basic level of protection for these

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

children for whom all of our decisionmaking will have grave and dramatic impact.

The second amendment goes to the parents. Essentially, it says that of those 5 million parents who are being called on to work in this welfare reform, as to those individuals—parenthetically, all of us agree that anybody who can work should work—but the State, in the legislation, is required to set forth a work plan for those individuals that they deem needed. But if the State does not live up to its part of the bargain, that State does not provide jobs assistance, job training, does not follow its own plan—not a plan we are imposing from Washington, but if the State does not do what it needs to do with regard to job training and placement of the adult, then this amendment says that the State should not eliminate assistance for those individuals who they have themselves failed.

Again, I want to bring to the attention the second part of the article called "A Way Out of the Welfare Bind." She says:

States, in any case, are concluding that time limits do not alleviate the need for effective welfare-to-work programs. In a current study of states that are testing time-limit programs, we have found that state and local administrators are seeking to expand and strengthen activities meant to help recipients prepare for and find jobs before reaching the time limit. Otherwise, too many will "hit the cliff" and either require public jobs, which will cost more than welfare, or face dramatic loss of income with unknown effects on families and children and, ultimately, public budgets.

That goes to the heart of the debate here, that in the event there are unintended consequences of our decisionmaking, we should assure that the unintended consequences do not impact the children—again, 60 percent of whom are under the age of 6, or alternatively, that people are not penalized for circumstances beyond their control.

I ask unanimous consent that the Washington Post article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A WAY OUT OF THE WELFARE BIND

(By Judith M. Gueron)

Much of this year's debate over welfare reform in Washington has focused on two broad issues: which level of government—state or federal—should be responsible for designing welfare programs, and how much money the federal government should be spending.

The debate has strayed from the more critical issue of how to create a welfare system that does what the public wants it to do. Numerous public opinion polls have identified three clear objectives for welfare reform: putting recipients to work, protecting their children from severe poverty and controlling costs.

Unfortunately, these goals are often in conflict—progress toward one or two often pulls us further from the others. And when the dust settles in Washington, real-life welfare administrators and staff in states, counties and cities will still face the fundamental question of how to balance this triad of conflicting public expectations.

Because welfare is such an emotional issue, it is a magnet for easy answers and inflated promises. But the reality is not so simple. Some say we should end welfare. That might indeed force many recipients to find jobs, but it could also cause increased suffering for children, who account for two-thirds of welfare recipients. Some parents on welfare face real obstacles to employment or can find only unstable or part-time jobs.

Others say we should put welfare recipients to work in community service jobs—workfare. This is a popular approach that seems to offer a way to reduce dependency and protect children. But, when done on a large scale, especially with single parents, this would likely cost substantially more than sending out welfare checks every month. To date, we haven't been willing to make the investment.

During the past two decades, reform efforts, shaped by the triad of public goals, have gradually defined a bargain between government and welfare recipients: The government provides income support and a range of services to help recipients prepare for and find jobs. Recipients must participate in these activities or have their checks reduced.

We now know conclusively that, when it is done right, the welfare-to-work approach offers a way out of the bind. Careful evaluations have shown that tough, adequately funded welfare-to-work programs can be four-fold winners: They can get parents off welfare and into jobs, support children (and, in some cases, make them better off), save money for taxpayers and make welfare more consistent with public values.

A recent study looked at three such programs in Atlanta, Grand Rapids, Mich., and Riverside, Calif. It found that the programs reduced the number of people on welfare by 16 percent, decreased welfare spending by 22 percent and increased participants' earnings by 26 percent. Other data on the Riverside program showed that, over time, it saved almost $3 for every $1 it cost to run the program. This means that ultimately it would have cost the government more—far more—had it not run the program.

In order to achieve results of this magnitude, it is necessary to dramatically change the tone and message of welfare. When you walk in the door of a high-performance, employment-focused program, it is clear that you are there for one purpose—to get a job. Staff continually announce job openings and convey an upbeat message about the value of work and people's potential to succeed. You—and everybody else subject to the mandate—are required to search for a job, and if you don't find one, to participate in short-term education, training or community work experience.

You cannot just mark time; if you do not make progress in the education program, for example, the staff will insist that you look for a job. Attendance is tightly monitored, and recipients who miss activities without a good reason face swift penalties.

If welfare looked like this everywhere, we probably wouldn't be debating this issue again today.

Are these programs a panacea? No. We could do better. Although the Atlanta, Grand Rapids, and Riverside programs are not the only strong ones, most welfare offices around the country do not look like the one I just described.

In the past, the "bargain"—the mutual obligation of welfare recipients and government—has received broad support, but reformers have succumbed to the temptation to promise more than they have been willing to pay for. Broader change will require a substantial up-front investment of funds and serious, sustained efforts to change local welfare offices. This may seem mundane, but changing a law is only the first step toward changing reality.

It's possible that more radical approaches—such as time limits—will do an even better job. They should be tested. But given the public expectations, we cannot afford to base national policies on hope rather than knowledge. The risk of unintended consequences is too great.

States, in any case, are concluding that time limits do not alleviate the need for effective welfare-to-work programs. In a current study of states that are testing time-limit programs, we have found that state and local administrators are seeking to expand and strengthen activities meant to help recipients prepare for and find jobs before reaching the time limit. Otherwise, too many will "hit the cliff" and either require public jobs, which will cost more than welfare, or face a dramatic loss of income with unknown effects on families and children and, ultimately, public budgets.

Welfare-to-work programs are uniquely suited to meeting the public's demand for policies that promote work, protect children and control costs. But despite the demonstrated effectiveness of this approach, the proposals currently under debate in Washington may make it more difficult for states to build an employment-focused welfare system. Everyone claims to favor "work," but this is only talk unless there's an adequate initial investment and clear incentives for states to transform welfare while continuing to support children.

Many of the current proposals promise easy answers where none exist. In the past, welfare reform has generated much heat but little light. We are now starting to see some light. We should move toward it.

Ms. MOSELEY-BRAUN. I see my time has expired. I yield the floor.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER (Mrs. HUTCHISON). The Senator from Pennsylvania.

Mr. SANTORUM. Madam President, I think the Senator from Illinois hit the nail right on the head in talking about the issue of unintended consequences. How can we risk to do this, to put a time limit on people on welfare? I wish we would have had that same discussion back when we instituted all these welfare programs in the sixties, because when we did that we had absolutely no idea what was going to happen. We had no idea of the unintended consequences. We had no idea that the harm that has been caused by all of these programs, the dependency that exists in this country because of these programs, had we thought about these unintended consequences, we may have not have done that, but we did it anyway, without any proof that what we were passing was going to be beneficial to the American citizens. We had no proof at all. In fact, in the thirties when these were initially realized they

were replacements for private charity systems that were networks of charities that are all over the country.

We said, no, the Government will take more responsibility. Franklin Roosevelt warned us about the subtle narcotic being delivered to the masses on welfare. We ignored a lot of the naysayers out there at the time, saying big Government programs and unlimited welfare were going to be a real problem for this country, were going to be a disintegration of community, family, and the support that we have seen in communities. We ignored all that and just plowed ahead.

Now we are saying, "Oh my goodness, we cannot change that because we do not know what will happen." Well, we changed it in the 1930's and the 1960's without knowing what would happen. We found out what has happened, and it is a big problem.

To suggest now we cannot find some moderation, we are not talking about pulling the Government out of welfare, we are talking about putting a limit on the amount of assistance that we are going to give people, and changing the system from one of a maintenance and dependency system to one that is a dynamic transitional system.

I think that is a good middle ground that we have established with this piece of legislation.

What the amendment of the Senator from Illinois will do is perpetuate a system of dependency, of maintenance of poverty. I think it hopefully will be rejected by the Senate.

I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to amendment numbered 2471. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER (Mr. THOMPSON). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 42, nays 58, as follows:

[Rollcall Vote No. 413 Leg.]

YEAS—42

Akaka	Feingold	Lieberman
Biden	Feinstein	Mikulski
Bingaman	Ford	Moseley-Braun
Boxer	Glenn	Moynihan
Bradley	Heflin	Murray
Breaux	Hollings	Pell
Bryan	Inouye	Pryor
Bumpers	Johnston	Reid
Byrd	Kennedy	Robb
Conrad	Kerrey	Rockefeller
Daschle	Kerry	Sarbanes
Dodd	Lautenberg	Simon
Dorgan	Leahy	Specter
Exon	Levin	Wellstone

NAYS—58

Abraham	Campbell	D'Amato
Ashcroft	Chafee	DeWine
Baucus	Coats	Dole
Bennett	Cochran	Domenici
Bond	Cohen	Faircloth
Brown	Coverdell	Frist
Burns	Craig	Gorton
Graham	Kempthorne	Roth
Gramm	Kohl	Santorum
Grams	Kyl	Shelby
Grassley	Lott	Simpson
Gregg	Lugar	Smith
Harkin	Mack	Snowe
Hatch	McCain	Stevens
Hatfield	McConnell	Thomas
Helms	Murkowski	Thompson
Hutchison	Nickles	Thurmond
Inhofe	Nunn	Warner
Jeffords	Packwood	
Kassebaum	Pressler	

So the amendment (No. 2471) was rejected.

Mr. MOYNIHAN. Mr. President, 42 votes. A good vote. I move to reconsider.

Mr. NICKLES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2472

The PRESIDING OFFICER. Under the previous order, there will now be 4 minutes debate equally divided on the second Moseley-Braun amendment numbered 2472, to be followed by a vote on or in relation to the amendment.

Who yields time?

Mr. MOYNIHAN. Mr. President, I believe the time has been agreed to, 4 minutes.

The PRESIDING OFFICER. The Senator from Illinois.

Ms. MOSELEY-BRAUN. Mr. President, the second amendment has been explained at length.

Mr. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BYRD. Mr. President, I would like to be able to vote intelligently on this amendment. I hope the Senate will give its attention to Members who are attempting to explain briefly these amendments. I hope the Chair will insist on order in the Senate, and I for one will applaud the Chair for the effort.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MOYNIHAN. The Chair can name names if that becomes necessary.

The PRESIDING OFFICER. Will Senators take their conversations off the floor.

The Senator from Illinois.

Ms. MOSELEY-BRAUN. I thank the Chair very much. I will be brief.

Essentially, the second amendment also deals with unintended consequences. But unlike the amendment that applied, or was directed at almost 10 million children who are presently on welfare, this one applies, or is directed, to the approximately 5 million adults who are recipients under the various programs in the States.

Essentially, what it says is that the State will do what it says it is going to do. It is intended to address the issue of unintended consequences where a State has not provided job assistance, where the economy in the State has pockets of high unemployment, where a recession occurs or plants leave and individuals cannot work because there are no jobs. Then the State will not in that situation throw an individual off of welfare who wants to work, who needs to work, who wants to support their family and has no other way of providing for their children.

I had introduced earlier an article out of the Washington Post regarding welfare-to-work programs. Certainly, we all agree that anybody who can work should work. There is no debate, I think, about that. But in the event there are no jobs, in the event there is high unemployment, in the event there is some economic downturn over which an individual has no control, the question is, are we prepared to accept the consequences, the unintended consequences of an able-bodied person who wants to work, who is unable to work, being unable to provide anything for their children.

Many States are such as my own. In Illinois, 64 percent of the caseload resides in one county. In that instance, it seems to me that a State should be called on to do what the State says it is going to do. This is not imposing anything on the States other than the States have imposed on themselves. This, it seems to me, is a reasonable moderation of our approach in turning this issue over to the States, letting the States create their plan. It simply says the State will do what the State says it will do in regard to job assistance.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. NICKLES. Mr. President, I rise in opposition to this amendment. In my opinion, this amendment really is a back-door effort to have a continued entitlement. This creates a new entitlement which requires the States to provide services. It tries to get around the idea of having a time limit, a limitation on welfare.

I remember President Clinton's statement that we want to end welfare as we know it. This amendment basically is an effort to exempt the 5-year time limit to keep an open-ended entitlement. This opens up States also to lawsuits from recipients who do not get the type of training they want rather than what the State thinks they need.

I might mention we had a similar type provision that was earlier defeated.

Mr. President, I hope that my colleagues would vote "no" on this amendment. I yield back the remainder of our time.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER (Mr. CAMPBELL). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 40, nays 60, as follows:

[Rollcall Vote No. 414 Leg.]

YEAS—40

Akaka	Ford	Lieberman
Bingaman	Glenn	Mikulski
Boxer	Graham	Moseley-Braun
Bradley	Harkin	Moynihan
Breaux	Heflin	Murray
Bryan	Hollings	Pell
Bumpers	Inouye	Pryor
Conrad	Johnston	Robb
Daschle	Kennedy	Rockefeller
Dodd	Kerrey	Sarbanes
Dorgan	Kerry	Simon
Exon	Lautenberg	Wellstone
Feingold	Leahy	
Feinstein	Levin	

NAYS—60

Abraham	Faircloth	McCain
Ashcroft	Frist	McConnell
Baucus	Gorton	Murkowski
Bennett	Gramm	Nickles
Biden	Grams	Nunn
Bond	Grassley	Packwood
Brown	Gregg	Pressler
Burns	Hatch	Reid
Byrd	Hatfield	Roth
Campbell	Helms	Santorum
Chafee	Hutchison	Shelby
Coats	Inhofe	Simpson
Cochran	Jeffords	Smith
Cohen	Kassebaum	Snowe
Coverdell	Kempthorne	Specter
Craig	Kohl	Stevens
D'Amato	Kyl	Thomas
DeWine	Lott	Thompson
Dole	Lugar	Thurmond
Domenici	Mack	Warner

So the amendment (No. 2472) was rejected.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. SANTORUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2565

The PRESIDING OFFICER. Under the previous order, there will now be 20 minutes for debate equally divided on the Graham amendment No. 2565, to be followed by a vote on or in relation to the amendment.

Mr. GRAHAM. Mr. President, I yield 2 minutes to the Senator from Nebraska, Senator KERREY.

The PRESIDING OFFICER. The Senator from Nebraska [Mr. KERREY] is recognized for 2 minutes.

Mr. KERREY. Mr. President, under the Dole bill, we are fundamentally changing the covenants of welfare. It seems to me and other supporters of this amendment that we should be fundamentally changing the way we design our formulas. Instead, under the Dole bill, we continue to use a formula that is based upon an older system.

Instead, what the Graham-Bumpers amendment does is provides a formula that is based on fairness and guided by three principles: First, that the block grant should be based on need; second, the funding level should respond to changes in the poverty level; and third, the States should not be permanently disadvantaged based upon their policy choices and circumstances made in 1994.

Mr. President, the Graham-Bumpers children's fair share proposal meets the test that I have just described by allocating funding based upon the number of poor children in each State, a formula just for changes in the population of children in poverty, so it does not lock States into an outdated funding level.

I point out to my colleagues something I suspect they already know, and that is, child poverty has enormous economic costs. It has huge human costs as well. Low-income children are twice as likely to suffer from stunted growth, twice as likely as other children to die from birth defects, and three times more likely to die from all causes combined.

It has been estimated that there are $36 to $177 billion in lower productivity coming from the American economy as a consequence of child poverty. It has enormous future costs as well. There is a University of Michigan study that those children under age 5 who experience at least 1 year of poverty have significantly lower IQ scores. If we are going to change our welfare system to a block grant, we need to change our funding formula to address child poverty. I cannot imagine—except for States that lose money, and some will under this formula. Unless your States lose money, I do not know how you can do anything other than to support this amendment.

The PRESIDING OFFICER. Does the Senator yield back his time?

Mr. KERREY. I yield back my time.

The PRESIDING OFFICER. Who yields time? The Senator from Texas [Mrs. HUTCHISON] is recognized.

Mrs. HUTCHISON. Mr. President, I yield 4 minutes from our 10 minutes to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania [Mr. SANTORUM] is recognized for 4 minutes.

Mr. SANTORUM. Mr. President, I thank the Senator from Texas. I find it interesting that the Senator from Nebraska is standing up here arguing for this amendment. It is very magnanimous of him. I know originally his State gains. I am not too sure he is aware that after 5 years, the State of Nebraska goes from $100 million down to $23 million, which is actually less money than they are getting now under the current formula. They will get less money.

The Senator from Nevada spoke on this amendment yesterday. They will get less money under this formula. There is no hold harmless here.

You should look at the formula not just in the first year, but over 5 years. Your numbers come down. Nevada is one. Actually, your maintenance of effort in Nebraska and Nevada, under the 80 percent maintenance-of-effort provision, will be required to pay more than what the Federal share will be, because you will be required to maintain 80 percent, but your number is going to come down below that.

Look at the numbers over the 5 years and you will see States like California, Connecticut, Hawaii, Maryland, Massachusetts, Nebraska, Nevada, New Jersey, New York, Rhode Island, and Washington all will have higher maintenance-of-effort requirements than Federal contributions under the Graham amendment.

Throw away parochialism. This is bad public policy. We are going to say on the floor of the Senate that we are going to make you pay more than what the Federal share will be to your States. That is wrong.

Hawaii is one of the big losers. I see the Senator from Hawaii here. They are going to have to pay more out of their own State coffers than will come from the Federal Government over a period of time. Some of these States get a little bump at the beginning, but what you do not see is they do not hold the small States harmless, and, over time, their number comes down and comes down dramatically.

In fact, if you look at the States that lose over time—I will go through them quickly—other than the States I just mentioned, because all the States I mentioned lose over time. In addition to those States, you have Alaska, Delaware, Maine, Michigan, Minnesota, Montana, New Hampshire, North Dakota, Oregon, Pennsylvania, Vermont. I mentioned Washington State before. You may think you are getting a boost under this, because if you look at it in the first year, you do, but with a lot of those States, over time their allocation, according to the formula, goes down.

So do not look at the first year and be suckered into a vote in favor of this amendment because you get a little bump at the start. Over time, the big winners—and I give a lot of credit to the Senator from Texas for standing up—Florida and Texas are the two big States that are going to be the big, big winners under this and the rest of the other States, particularly the small States in the West, the Midwest, and Northeast, are going to get hammered over the next 5 years.

Again, throw parochialism aside. To suggest that we are going to make 12 States maintain a higher effort of State dollars than we will give them Federal dollars is wrong. It is absolutely wrong, I do not care where you come from. That is what this amendment does. It is misguided, it is unfair, not just to the States involved, but I think unfair to children in general.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time? The Senator from Florida.

Mr. GRAHAM. Mr. President, I yield 2 minutes to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas [Mr. BUMPERS] is recognized for 2 minutes.

Mr. BUMPERS. Mr. President, let me start by asking the Senator from Pennsylvania, before he leaves the floor, if he thinks this country is fair to the children, when the District of Columbia, under this bill, is going to get $4,222 per child, and the State of Arkansas is going to get $390.

Do you know why a child in the District of Columbia is worth $4,200, 11 times more than the child in Arkansas? Because for years, the Federal Government says whatever you put in, we will match it. So they have matched it over the years. And now we are institutionalizing a gross inequity.

What we are saying in this bill is, if you happen to come from a poor State, no matter how hard you try, no matter how much money you did your very best to put in AFDC, you could not match Pennsylvania, New York, Massachusetts. Those States made a monumental effort, and we should congratulate them for it. But to say now 1994 is the be-all and end-all, whatever you contributed in 1994 is what you are going to get forever?

In short, if you are poor, you stay poor. If you are affluent, you stay affluent. There are Governors in this country—the Republicans got a lot of Governorships last year, and I guarantee you that a lot of them have already cut their contribution. No matter, it is 1994 that counts.

I cannot believe we are doing this. I could not vote for this bill in 100 years with this formula in it. How will I go home and tell the people of my State that a child in New York is worth $2,200 and their poor children are worth $400, or a child in the District of Columbia is worth $4,200 and our children worth $400?

The PRESIDING OFFICER. The time of the Senator has expired.

Who yields time?

Mrs. HUTCHISON. Mr. President, I yield 2 minutes to the Senator from California.

Mrs. FEINSTEIN. Mr. President, I thank the Senator from Texas. I rise to oppose this Graham-Bumpers formula. I must say—and I say it respectfully—this formula is sudden death for California. It will cost California about $1 billion. It is enormous in its impact.

There is no fiscal year in which California comes close to what is offered in the Dole bill, and I think the Dole bill formula is bad for California. So that is why I say this is sudden death.

Frankly, I respect the Senator from Arkansas very much, but how a formula can be justified, which essentially says we will reward States who do very little for their poor people and we will seriously disadvantage States that are willing to do more for their poor people, I have a hard time understanding that logic.

This is a Government that has practiced devolution. This is a Government that has said more and more that it is the responsibility of the State. Yet, in this bill, they seek to punish those who have a high maintenance of effort.

For California, over the 5-year period, this bill will cost $1 billion. The impact is enormous. There is no amendment that has been proposed that has a greater negative impact on the State of California than does this.

I thank the Senator and yield the floor.

Mr. GRAHAM. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Florida has 6 minutes.

Mr. GRAHAM. We will reserve our 6 minutes to close.

Mrs. HUTCHISON. Mr. President, I yield 2 minutes to the senior Senator from New York.

Mr. MOYNIHAN. I thank my friend from Texas.

Mr. President, last evening, we debated this matter in greater length. I took the liberty to go over the historical provision of the entitlement by States to a matching share of their expenditures on children. From the first, it has been a formula designed to move more Federal funds to the South and West, out of the North and East. The ratio is determined by the square of the difference between the State's per capita income and national per capita income. States have received as much as an 83 percent Federal match. New York and California get the lowest Federal match rate: 50 percent.

We have since recalculated our poverty data to account for cost of living. Mr. President, may I make this point? Adjusted for the CPI, New York State has the sixth highest incidence of poverty in the country. Florida has the 20th highest. Arkansas has the 19th highest. New York is a poorer State than Arkansas. A new idea, I grant; new data, I assert. But truth as well.

This amendment would cost California $5.4 billion and New York $4.6 billion. Not because we have had an advantage in the Federal formula. To the contrary. It is because we have had a civic policy that has sought caring for children to be a higher priority than perhaps some others have done, or we felt we had the capacity, even in the face of the data that suggests we have not.

This is an elemental injustice. I am openly conflicted. If this amendment passes, the bill dies. But in the first instance, I will remain loyal to the principle of the last 60 years.

My time has expired. I thank the Senator from Texas.

Mrs. HUTCHISON. Mr. President, I yield 2 minutes to the junior Senator from New York.

The PRESIDING OFFICER. The junior Senator from New York [Mr. D'AMATO] is recognized.

Mr. D'AMATO. Mr. President, I thank my colleague from Texas and the distinguished senior Senator from New York, who are opposing this amendment.

This amendment is not about welfare reform. It is about pitting region against region, about enriching certain States at the expense of others, about taking money from States which have made an effort to deal with the plight of poor children and poor adults and just identifying 15 States and saying we are going to give you more money so we can buy your votes. That is wrong.

Let me tell you what it does to our State of New York. It costs us, as Senator MOYNIHAN has indicated, $4.5 billion over 5 years. It will cost us nearly $1 billion in the first year alone.

Let us talk about maintenance of effort. Senator SANTORUM has spoken to it. We have to maintain an effort at 80 percent. Under this amendment, the State of New York will spend $600 million a year more than it gets from the Federal side. Let us talk about rich and poor, about poverty, and what people are worth and are not worth, as it relates to the Northeast and Midwest. We sent $690 billion more in taxes to Washington than we received in the past 14 years. I thank my distinguished colleague, the senior Senator from New York, because under his stewardship, the coalition put these numbers together.

Let us talk about the State of New York. In the last 14 years, during the same period of time, we sent $142.3 billion more to Washington in taxes than we have received in what we call "allocable spending." Let us look at the State of Florida. They have gotten back from Washington $38.5 billion more during that same period of time than they sent down to Washington in taxes. Now we see nothing other than a raid on New York, and its poor children in particular. Maybe what we should do is discuss an amendment to reallocate some of the Federal funds that flow to States such as Florida to give relief to those disadvantaged States in the Northeast and Midwest—New York, Pennsylvania and others—that already get less than their fair share of Federal allocable spending. Instead we have before us an amendment that would transfer more money to Florida at the expense of poor children in New York.

So I urge defeat of this amendment. It is a bad amendment.

The PRESIDING OFFICER. The Senator from Florida has 6 minutes remaining.

Mrs. HUTCHISON. Has our time expired?

The PRESIDING OFFICER. Yes.

Mr. GRAHAM. Mr. President, to close on this amendment, we have heard a lot about the phrase that "we want to change welfare as we have known it" and that it is a failed system. There are many citations as to what those failures are. If one of the objectives of the welfare system was,

as the senior Senator from New York has stated, to move resources from the Northeast to the South and West, we will add that as an additional failure of the welfare system.

How can you say that a system has accomplished that objective of assisting the poorest States in America when Texas receives one-fifth the amount of funds for its poor children as does New York and when Arkansas receives one-eleventh of the funds per poor child as does the District of Columbia? Another example of the failed system.

Assume that we were to start this process with a blank piece of paper. Assume we had never distributed Federal money for the purposes of assisting poor children and assisting the guardians—particularly the single, female heads of households—of those poor children to get off welfare and on to work and thus independence. How would we go about allocating the money?

First, I think we want to allocate it in a manner that would, in fact, make the system work, that would provide a sufficient amount of resources into each of the communities of America to allow the kinds of training programs and child care to be functional, to accomplish the objective of moving from dependence to independence through work.

Second, we want to have elemental fairness in how those funds are distributed. That is the essence of the amendment that is before us today, Mr. President.

This amendment follows the simple principle, take the total number of poor children in America—they are America's poor children. They are not Florida's poor children or California's poor children, they are America's poor children. The funds will come from all Americans through the Federal Treasury. Take the number of poor children in the country, divide that into the funds we have available, approximately $17 billion a year, and distribute the money wherever the poor children are. That seems to me to be an imminently reasonable approach and a fair approach in terms of achieving the objective.

The amendment that has been offered by Senator DOLE would distribute 99 percent of the Federal dollars to the status quo. However, the money which was distributed in 1994 will be distributed in the year 2000, without regard to any changes. There can be a depression in Colorado, you can have enormous growth in Arizona, you can have a depopulated Michigan, and yet you will get the same money in the year 2000 that you got in the year 1994. That does not sound like a fair, reasonable plan, or a plan which will accomplish the objective of this legislation.

Much has been made by the Senator from Pennsylvania about maintenance of effort. Frankly, maintenance of effort has been a moving target throughout this debate. We had no maintenance of effort when we started this debate. We defeated an amendment yesterday to require a continuation of maintenance of effort. Whatever final position we take on this formula, obviously, we will have to readdress the issue of maintenance of effort.

Mr. President, I believe there are a number of considerations that Members of this Senate ought to take into account as they decide whether to vote on this amendment. First, the Dole amendment does not respond to economic or demographic changes. Second, the Dole amendment rewards inefficiency. New York State spends over $100 per welfare case for administration. West Virginia spends $13. Yet, those inefficiencies are going to be rewarded in that New York State will get a higher proportion of the money, in part because it has been more inefficient in utilizing the funds available.

The mandates that we are imposing, heavy mandates in training and in child care, will be much more difficult to meet in a State like Texas, where 84 percent of the money Texas gets from the Federal Government will have to be spent to meet the mandates of training and child care. In Mississippi, 88 percent of the money will have to be used, whereas in more affluent States, less than 40 percent of their Federal funds will be required in order to meet these mandates.

Much has been said about the fact, Mr. President, that we are going to be moving toward parity under the Dole amendment, that eventually we will get to the goal that all children will be fairly and equally treated. How long will that trail take? Let me give some examples.

How long will it take from today, using the Dole formula, for the State of Alabama's poor children to have the same worth in terms of the distribution of Federal funds as do the poor children of the rest of America? Mr. President, 74 years is how long it will take Alabama; Delaware, 39 years; Louisiana, 79 years; Idaho, 42 years; Mississippi, 100 years before the poor children of Mississippi reach the average of the Nation; Florida, 29; Nevada, 29; Illinois, 13; South Carolina, 78 years before South Carolina's poor children reach the average of the Nation in terms of the distribution of the Nation's resources for poor children; South Dakota, 27 years; Texas, 75 years.

How, in 1995, do we support a formula which has that degree of inequity and unfairness, and the fundamental undermining of the ability of this legislation to achieve its intended result, to change welfare as we have known it by giving people a chance, a chance to move from dependency to independence through work.

I urge the adoption of this amendment.

Mr. BUMPERS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2565, offered by the Senator from Florida [Mr. GRAHAM].

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 34, nays 66, as follows:

[Rollcall Vote No. 415 Leg.]

YEAS—34

Akaka	Exon	Mack
Baucus	Ford	McConnell
Biden	Graham	Moseley-Braun
Bingaman	Gregg	Nunn
Breaux	Heflin	Pell
Bryan	Hollings	Pryor
Bumpers	Inouye	Reid
Byrd	Jeffords	Robb
Coats	Johnston	Rockefeller
Conrad	Kerrey	Simon
Daschle	Leahy	
Dorgan	Lugar	

NAYS—66

Abraham	Frist	McCain
Ashcroft	Glenn	Mikulski
Bennett	Gorton	Moynihan
Bond	Gramm	Murkowski
Boxer	Grams	Murray
Bradley	Grassley	Nickles
Brown	Harkin	Packwood
Burns	Hatch	Pressler
Campbell	Hatfield	Roth
Chafee	Helms	Santorum
Cochran	Hutchison	Sarbanes
Cohen	Inhofe	Shelby
Coverdell	Kassebaum	Simpson
Craig	Kempthorne	Smith
D'Amato	Kennedy	Snowe
DeWine	Kerry	Specter
Dodd	Kohl	Stevens
Dole	Kyl	Thomas
Domenici	Lautenberg	Thompson
Faircloth	Levin	Thurmond
Feingold	Lieberman	Warner
Feinstein	Lott	Wellstone

So the amendment (No. 2565) was rejected.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. NICKLES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2575

The PRESIDING OFFICER. Under the previous order there will now be 20 minutes of debate equally divided on the Domenici amendment, No. 2575, to be followed by a vote on or in relation to the amendment.

The time will be divided four ways—5 minutes each to Senators DOMENICI, GRAMM, DASCHLE, and DOLE.

POSTPONEMENT OF VOTE ON AMENDMENTS NOS. 2672 AND 2608

Mr. DOLE. Mr. President, I have a consent agreement that has been cleared by the Democratic leader, Senator DASCHLE.

I ask unanimous consent that the debate time and the rollcall vote scheduled with respect to the Daschle

amendment, No. 2672, and the Faircloth amendment, No. 2608, be postponed to reoccur at a time to be determined by the majority leader after consultation with the Democratic leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2575

The PRESIDING OFFICER. Who yields time?

Mr. BRADLEY addressed the Chair.

Mr. DOMENICI. Regular order, Mr. President. What is the regular order?

The PRESIDING OFFICER. The regular order is the consideration of the Domenici amendment with 5 minutes to each to be allocated to Senators DOMENICI, DASCHLE, GRAMM, and DOLE.

Mr. MOYNIHAN. Mr. President, it was my understanding that there was to be 20 minutes equally divided.

The PRESIDING OFFICER. The Senator is correct. It totals 20 minutes divided four ways.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico, [Mr. DOMENICI], is recognized.

Mr. DOMENICI. Mr. President, Senator MOYNIHAN, on the minority side, and I have decided that I will control 10 minutes with him using part of that. That means there are 10 minutes under the control of Senator DOLE, 5 minutes, and Senator GRAMM, 5 minutes.

Mr. President, I am going to speak for 2 minutes, and if you will tell me when I have used the 2 minutes I would appreciate it.

First, I ask unanimous consent that Senator SPECTER be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, Governor Engler testified before the Budget Committee that conservative strings to block grants were no better than liberal strings to block grants. A man saying that was not just an ordinary Governor but a Governor who is advocating no strings on the block grants in welfare. He said leave this issue that is before us—the family cap—up to the States. Give them the option to decide amongst a myriad of approaches to the very difficult problem of welfare teenagers and welfare mothers having children. He said let us experiment in the great democratic tradition in the sovereign States, and we are apt to do a better job.

What I propose is very simple. It mandates nothing. So nobody should think I am mandating that there be no family cap. I am merely saying each State in its plan decides this issue for itself. If they want a cap, they can have a cap. If they want to decide to try something different, they try something different.

It seems to me that is in the best tradition of what Republicans and conservative Democrats have been saying when they say send these programs to the States so they can manage them properly and let those who are closest to the grassroots—the State legislatures and Governors—decide how to do it.

There is nothing complicated about it. Again, I do not mandate anything. What my amendment says is the States can do it however they want with reference to the family cap or using cash payments for children who are part of a welfare situation where there is already one child, another one is born, and the States can decide how to handle that. We do not have all the wisdom here in Washington. That is the issue.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DOMENICI. I yield 2 minutes to Senator BRADLEY.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. BRADLEY. Mr. President, I rise in support of the Domenici amendment.

New Jersey is the only State that has actually implemented a family cap. It took effect almost 2 years ago as part of a comprehensive reform of welfare which combines such disincentives as the family cap along with strong positive incentives for welfare recipients to work, and to marry. Almost from the day the family cap took effect we have been bombarded with people declaring absolutely that it works, and absolutely that it does not work. We have heard that there is a 1-percent reduction in birth rates to parents on welfare. We have also then, based on an evaluation by Rutgers, heard that there was no difference in births. We heard there was an increase in abortions. Then we heard that there was but it was not statistically significant. Never have such dramatic conclusions be drawn from such shaky and preliminary numbers.

Let me simply reiterate that from New Jersey's perspective—what everyone involved in the program has said—it is an experiment. I repeat, it is an experiment. We only have a year of data. We know only that a total of 1,500 fewer children were born to welfare recipients than over the previous 12 months. But births overall are down, and a difference of 1,500 births does not mean at all much compared to 125,000 total births in the State in the same period. At the same time, we penalize 6,000 families on welfare in which children were born.

Is the tradeoff of 6,000 children denied benefits worth the 1,500 hypothetical children whose mothers thought twice before becoming pregnant, or, on the other hand, who had abortions? I do not know. Will these numbers change? Will the message sink in? I do not know.

The basic point is that it is an experiment. We have inconclusive data.

We should not mandate something when we do not know what we are doing. States should be able to experiment.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized to speak for 5 minutes.

Mr. DOLE. Mr. President, I have the greatest respect for the Senator from New Mexico, but I rise in opposition to his amendment.

So let me tell you that we have been trying to craft a bill here and maintain a balance to get enough people on board to pass a very strong welfare reform bill. And I believe we are on the verge of accomplishing that. In fact, I hope we can do it by tomorrow. In fact, we need to do it by tomorrow.

I understand precisely what the Domenici amendment does. It simply strikes a provision in our bill that prohibits additional cash to children born to families receiving assistance.

I know the Catholic bishops feel very strongly about this, and the Catholic charities, because they deal with a lot of these families. They understand some of the problems.

As I have suggested, I think our bill has structured the right balance on the important issue of out-of-wedlock births.

I am committed to supporting a provision in our bill which allows States to provide vouchers in lieu of cash assistance. We think that goes a step in the direction that we think the bishops and others who support the Domenici amendment want to go.

Under this provision, I believe the children in need will be provided support. They are going to have vouchers, not going to have cash but vouchers, and the important thing is that these vouchers may be used for goods and services to provide for the care of the children involved. In addition, we all know that other forms of Federal and State aid remain available.

This has been one of the most difficult issues. The family cap and whether you have cash payments for teenage moms are probably the two most difficult issues we have faced, two of the most difficult issues we have faced in putting a welfare reform package together.

I understand the concerns that Senator DOMENICI expressed. I have talked with the Catholic bishops. They have been in my office. I have talked with Catholic Charities. They have been in my office. But I have talked to others who feel just as strongly on the other side. I also have talked with the Governors, and they do not want any strings. They do not want conservative or liberal strings. But they know in some cases they are going to have strings. I do not know of any objection by the Governors with reference to the family cap. I think they would accept

that. They may not like it, but they would accept it. So I would hope that we also give flexibility in the family cap provision. If we do not deal with out-of-wedlock births, then we are really not dealing with welfare reform.

We have had a number of Governors—12 States—who have currently received waivers from the Federal Government to experiment with some version of the family cap. However, our proposal also maintains considerable flexibility for these States and addresses the crisis of out-of-wedlock births.

The crisis in our country must be faced. Thirty percent of America's children today are born out of wedlock. And many believe we, at the Federal level, must send a clear signal. We believe the underlying proposal which is identical to the one agreed to by the House does just that. We are going to be in conference in any event.

Let me emphasize again that we have tried to keep everybody together in this proposal. I am not certain what happens if this Domenici amendment is adopted. We will still have an opportunity in conference. But we have crafted a very careful bill here to respond to the needs of many. Unlike the situation of single teenage mothers in poverty, this provision mostly affects families.

It seems to many of us the time has come when these families must face more directly whether they are ready to care for the children they bring into the world. That is the reason for the family cap.

So somebody has to make some decision out there—the families themselves, the parents, the mother. We believe the family cap will certainly encourage someone to make that decision and that if you continue cash payments, there is no restraint at all.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas [Mr. GRAMM], is recognized.

Mr. GRAMM. Mr. President, I yield myself 3 minutes.

Mr. President, it is hard for me to take this argument about States rights seriously when Senator DOMENICI has another amendment, amendment 2573, that mandates how much States pay on welfare. So let us make it clear. This is not an issue about flexibility. This is not an issue about strings. This is an issue about reform.

The Domenici amendment preserves the status quo. And what is the status quo? The status quo is that one out of every three babies born in America today is born out of wedlock. The status quo is if we continue to give people more and more money to have more and more children on welfare, by the end of this century illegitimacy will be the norm and not the exception in America. No great civilization has ever risen that was not built on strong families. No great civilization has ever survived the destruction of its families, and I fear the United States of America will not be the first.

Under existing law, States can do exactly what Senator DOMENICI's amendment allows them to do. What his amendment will do is perpetuate a system which subsidizes illegitimacy, which gives cash bonuses to people who have more and more people on welfare.

The compromise we have hammered out helps children. It provides vouchers. It provides them the ability to take care of them. But it does not provide cash incentives for people to have children that they cannot support.

What a great paradox it is that while families across America are pulling the wagon, both husband and wife working every day to save enough money to have a baby, they are paying taxes to support programs like this one which is subsidizing people to have babies that they cannot support.

I think if we are going to deal with welfare reform, if we are going to have a bill worthy of the name, we have to defeat this amendment.

I do not know what is going to happen on this amendment. Obviously, I am concerned about it. It breaks the deal that we have negotiated. It basically eliminates the glue that held a compromise together.

I am very concerned about the fate of welfare reform if this amendment is adopted. In the end, whether we have to do it in conference or whether it is not done, I am not going to support a bill that does not deal with illegitimacy. There is no way you can solve the welfare problem and not deal with illegitimacy. It is the basic cause of the problem, and I think we are running away from it with this amendment. I hope my colleagues will oppose it.

This is a crisis in America. It is a crisis that has got to be dealt with. I think to assume that the problem is simply going to go away is a bad mistake. Then he opposes even a modest limitation on the use of Federal funds turned over to the States.

My position is different. Do not tell the States how to spend their own money but set a few basic moral principles for the use of Federal funds. I believe that Federal funds should not subsidize illegitimacy.

This amendment is a complete reversal of the agreement we reached on this bill. It is time we take our commitment seriously and defeat this amendment.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from New Mexico has 1 minute.

Mr. DOMENICI. If we pool the 10, how much do we have left?

The PRESIDING OFFICER. Under the previous agreement, Senator MOYNIHAN has 5 minutes given to him by Senator DASCHLE, and Senator NICKLES has one-half yielded by Senator DOLE.

Mr. DOMENICI. I yield—how much time does the Senator want to use?

Mr. MOYNIHAN. Two minutes.

Mr. DOMENICI. Two minutes to Senator MOYNIHAN.

The PRESIDING OFFICER. Senator MOYNIHAN is recognized for 2 minutes.

Mr. MOYNIHAN. Mr. President, in the current issue of the Economist, the cover story is "The Disappearing Family," and it speaks of the problem of out-of-wedlock births. It says of this Senator that I have taken this problem seriously for 30 years. It quotes an earlier statement that "a community without fathers asks for and gets chaos."

I am not new to this subject, and I am very much opposed to a family cap of any kind. This is not the way to deal with this baffling and profoundly serious subject. When my friend from Texas cites the projections of where we will be at the end of the century, those, sir, are my projections. It has been a field I have worked in as he has worked in his field. But the dictum of the Catholic Charities is that the first principle in welfare reform must be "do no harm."

These children have not asked to be conceived, and they have not asked to come into the world. We have an elemental responsibility to them. And so I hope, regarding the most fundamentally moral issue we will face on this floor, that we will not have the State deny benefits to children because of the mistakes, or what else you will say, of their parents.

Mr. President, I yield back my time.

Mr. DOMENICI. I yield Senator BREAUX 2 minutes.

Mr. BREAUX. I thank my colleague.

Mr. President, I rise in strong support of the Domenici amendment. There is no disagreement in this body by either Republicans or Democrats on the question of illegitimacy. We oppose it very strongly and are looking for ways to help curtail it in this country. My State has the second highest illegitimacy rate in the country; 40 percent of all children born are illegitimate.

The question is, how do you solve it? Do you solve it by punishing the children or do you solve it by requiring work requirements for the parents, by requiring them to live under adult supervision, by requiring them to take work training, by requiring them to live in a family setting? I suggest that the way to do it is by those types of requirements. Do not penalize the child.

The current bill says absolutely a new child that is born will get no help.

That is a mandate. It says, well, the States have the option if they want to give a voucher they can. They do not have to. The Domenici bill changes that and the Domenici bill says that, if a child is born, we are going to look at that child as an innocent victim. And that is the proper approach. States that have had mandatory caps have not seen illegitimacy birth rates go down. But they have seen abortion rates go up. I do not think that is what this Senate wants to stand for. I urge the strong support of the Domenici amendment.

Mr. MOYNIHAN. Could I say that the Senator from New York is a cosponsor, and on both sides there is support.

Mr. BREAUX. The Domenici-Moynihan amendment. And I have strong support for it.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, everyone I heard speak on this issue said illegitimacy is a very serious problem. There is no question that it is. Illegitimacy has been exploding in this country, and, as a result, we have increased crime, we have increased welfare.

We need to break that cycle. The present system is we subsidize illegitimacy, the more children born out of wedlock the more Federal money they received. That is the present system. A lot of us think that is wrong. This bill says that there will be no additional under the Dole bill—not the Domenici amendment, the Dole bill says we are not going to give additional Federal cash payments for welfare families if they have additional children.

It does not say the States. If the States are really adamant and say they want to help and do it in the form of cash, they can use their own money. The bill allows them to give noncash benefits, so they can take some of the block grant money and use noncash benefits in the form of vouchers and give. But we do not want to have cash incentives for additional children born out of wedlock. So I think Senator DOLE has a good provision, and it is with regret that I oppose my friend and colleague, Senator DOMENICI's amendment.

One final comment. I heard New Jersey mentioned. The Heritage Foundation did a report. I will capsulize.

New Jersey is the only State in the Nation that instituted a family cap policy, denying an increase in cash welfare benefits to mothers who have additional children while already receiving welfare. The evidence currently available from New Jersey indicates that a family cap has resulted in a decline in births to women on AFDC, but not an increase in the abortion rate.

Mr. President, I reserve the balance of our time.

The PRESIDING OFFICER. All time of the Senator from Oklahoma has expired.

The only Senator that still controls time is the Senator from New York, who has 2 minutes remaining.

Mr. DOMENICI. Mr. President, I had previously arranged to make sure that Senator CHAFEE spoke.

Mr. MOYNIHAN. Yes. I ask the Chair, how much time is remaining?

The PRESIDING OFFICER. The Senator from New York has 2 minutes remaining.

Mr. MOYNIHAN. I will be happy to yield.

Mr. DOMENICI. Because of some of the things that were said, I need to have at least a minute.

Mr. MOYNIHAN. I ask that 1 minute be yielded to the Senator from New Mexico and the other minute to the Senator from Rhode Island.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 1 minute.

Mr. CHAFEE. Mr. President, I support the Domenici amendment. There has been a lot of talk about inconsistency and about flexibility. I think that applies on both sides. None of us have been totally consistent. But with regard to this, the whole thrust of this bill is meant to be for flexibility. And with a mandatory family cap, as is suggested by the opponents of this bill, certainly that is not in keeping with flexibility.

Now, the suggestion is that, "Do not worry. There are no cash payments provided in this bill, but vouchers are provided." That is not quite accurate. The underlying bill does not provide for vouchers. It says vouchers may be provided.

I would also point out that this is a nightmare of administration when you are dealing with vouchers for children. So it seems to me, as has been pointed out here, under the underlying bill, the people that suffer under this proposal to get at illegitimacy as the target, the people that suffer are the children. I just do not think that is the way to proceed. As has been pointed out by the Senator from New Jersey, there is no definiteness about the family cap having reduced illegitimacy.

I want to thank the Senator for the time.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 1 minute.

Mr. DOMENICI. I want to say to all my friends, especially some of the Republicans who talked about breaking an agreement, I do not break agreements. I was not part of any agreement. I was not in attendance. I had one meeting where we went over the whole bill. But I was not there. If I were there, I would have said I did not agree. And so I am bringing my disagreement here to the floor to let you decide.

Frankly, I am absolutely convinced the New Jersey experience is meaningless with reference to whether or not there will be less welfare mothers having children if there is a family cap. The study I see says that there is no evidence that it has succeeded. If there is evidence of that, there is equally as good evidence that abortions have increased. I do not believe either one.

But my argument is, why make a mistake? Why not let the Governors and the States decide as they put a big plan together. Let them do innovative things to make this system work better. Do we really know that if we say no cash for second children of a welfare mother, that the others are going to stop having children? I mean, I do not believe that. And if you believe that—I do not want to make it so mundane—but you believe in the tooth fairy. It just is not going to happen.

I think we ought to adopt this and go to conference. We have a good bill. And I, frankly, am trying my best to be helpful in this bill. And to say I am inconsistent—most Senators are for maintenance of effort—that is the inconsistency; I am for maintenance of effort.

The PRESIDING OFFICER. All time has expired.

The question occurs on amendment No. 2575.

Mr. MOYNIHAN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk called the roll.

The PRESIDING OFFICER (Mr. KEMPTHORNE). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 66, nays 34, as follows:

[Rollcall Vote No. 416 Leg.]

YEAS—66

Abraham	Exon	Levin
Akaka	Feingold	Lieberman
Baucus	Feinstein	Lugar
Bennett	Ford	Mikulski
Biden	Glenn	Moseley-Braun
Bingaman	Gorton	Moynihan
Bond	Graham	Murray
Boxer	Harkin	Nunn
Bradley	Hatch	Packwood
Breaux	Hatfield	Pell
Bryan	Heflin	Pryor
Bumpers	Hollings	Reid
Byrd	Inouye	Robb
Chafee	Jeffords	Rockefeller
Cohen	Johnston	Roth
Conrad	Kassebaum	Sarbanes
D'Amato	Kennedy	Simon
Daschle	Kerrey	Simpson
DeWine	Kerry	Snowe
Dodd	Kohl	Specter
Domenici	Lautenberg	Stevens
Dorgan	Leahy	Wellstone

NAYS—34

Ashcroft	Coverdell	Grams
Brown	Craig	Grassley
Burns	Dole	Gregg
Campbell	Faircloth	Helms
Coats	Frist	Hutchison
Cochran	Gramm	Inhofe

Kempthorne	Murkowski	Thomas
Kyl	Nickles	Thompson
Lott	Pressler	Thurmond
Mack	Santorum	Warner
McCain	Shelby	
McConnell	Smith	

So the amendment (No. 2575), as modified, was agreed to.

Mr. DASCHLE. Mr. President, I move to reconsider the vote, and to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2671

The PRESIDING OFFICER. Under the previous order, there will be 10 minutes debate, equally divided, on the Daschle amendment No. 2671, to be followed by a vote on or in relation to that amendment.

Who yields time?

Mr. DASCHLE. Mr. President, I will take 3 minutes of my time and then yield 1 minute to the Senator from Hawaii, Mr. INOUYE, and 1 minute to the Senator from New Mexico, Senator BINGAMAN.

Mr. President, I offer this amendment in the hope that we can find some resolution to what we all understand to be a very serious problem on reservations. My amendment would simply change the funding mechanism in the bill to ensure that adequate funding is provided to tribes across the country. It would establish a 3 percent national set-aside, and tribal grants would be allotted from the set-aside based on a formula to be determined by the Secretary. Tribes, in both the pending legislation as well as in this amendment, would receive direct funding from the Federal Government to administer their own programs.

The difference between the pending bill and our amendment is that, under the pending legislation, tribes would receive money based on the amount the State spent on them in fiscal year 1994. The State grant would be reduced by the amount of the tribal grant. Under our amendment, tribes would be allocated funds directly from the national set-aside. The funding for the tribes would be taken out of that 3 percent set-aside, even before the money is allocated to the States.

So it is simply a different mechanism for ensuring that funds are allocated in an appropriate way. Why 3 percent? Mr. President, the poverty rate for Indian children on reservations is 60.3 percent—three times the national average. I know that the percentage of the AFDC population that is represented by native Americans is less than 3 percent, but the problems tribes face are far greater than that statistic would dictate.

Clearly, when you have a poverty rate of 60 percent, we have to do more than what at first glance might appear to be necessary. Per capita income in the United States is $14,000. Per capita income on the reservations is $4,000. Unemployment rates range, in South Dakota, from 29 percent all the way up to 89 percent. Nationwide, unemployment on reservations is four to seven times the national average.

So we face some extraordinary circumstances on the reservations, Mr. President, and there is very little infrastructure in existence to address these problems today. We need reform. We need to recognize that reform has to mean more than just resources. We need the mechanism and infrastructure to create new opportunities to provide the services that are so needed on reservations today. For all these reasons, tribes deserve the 3 percent. I hope that the amendment will be supported.

I yield a minute to the distinguished Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I appreciate the chance to speak on behalf of the Daschle amendment. I do think it is very important that we try, as we are going through this legislation, to assist Indian tribes in pueblos around the country in helping their own people.

We talk a lot about empowerment. Here is a chance for us to do just that. At the same time that we are talking about empowering people, we are in fact cutting funds for Indian education, cutting funds for tribal justice programs, for housing operations, for tribal law enforcement, tribal social services, and a number of other vital programs.

We should not shortchange the Indian children of this country and their families in this bill. The Daschle amendment helps to ensure that we do not do that. I very much urge my colleagues to support the Daschle amendment.

I yield the floor.

Mr. DASCHLE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Democratic leader has 1 minute 18 seconds.

Mr. DASCHLE. I yield that to the distinguished Senator from Hawaii.

Mr. INOUYE. Mr. President, as we prepare to vote on this measure, we should remind ourselves that, first, Indians are sovereign. Second, there is a unique relationship existing between Indian nations and the Federal Government of the United States, a trust relationship. There is no special relationship existing between States and Indian country. The Constitution sets forth this relationship. The Supreme Court has upheld it on numerous occasions.

I support the Daschle amendment. I hope we will continue to maintain the unique relationship that exists between Indians and the Federal Government.

Mr. NICKLES. Mr. President, I yield the Senator from Arizona 3 minutes.

Mr. McCAIN. Mr. President, as the Senator from South Dakota points out, there are more poor Indians in America than reflected in the national average. The Senator's amendment calls for a 3-percent set-aside, even in States where there is no Indian population. I began this process several months ago, working with Senator DOLE and the Finance Committee, in attempting to achieve some way of providing native Americans with direct block grants to pay for their welfare programs.

As part of the bill, no off-the-top lump sum is dedicated for tribes. Indeed, the Dole bill targets Federal funding on a tribe-by-tribe basis, scaled to the actual need, supported by the fiscal year 1994 data, not some overall national estimate of need of 3 percent or 2 percent.

Mr. President, I have worked very hard with the Finance Committee in crafting a compromise that will provide direct welfare block grants to the Indian tribes, separate from the States. In response to that, Mr. President, I have received from Indian tribes all over the country, including from the National Indian Child Welfare Association, complete satisfaction with the compromise that was worked out with Senator DOLE.

If Senator DASCHLE can, in the name of politics, get Senators from West Virginia, Ohio, Illinois, and other States that have no Indian population to support this, fine. But I would like to point out to the Senator from South Dakota that he voted against an amendment by Senator DOMENICI that was going so restore 200-some million dollars in draconian cuts that are going to triple and destroy the social programs in his State and in my State. I hope that he will devote some of his efforts to restoring those draconian measures which have brought 300 tribal leaders to the Nation's Capital in the most vociferous process I have ever seen in my 13 years in Congress.

Mr. President, I support the Dole part of the bill which provides direct welfare block grants to Indian tribes, which the Indian tribes themselves support.

Mr. NICKLES. Mr. President, I wish to compliment Senator MCCAIN as chairman of the Indian Affairs Committee. I think he has provided a very valuable service because he does put some good language in this bill.

The bill that we have before us—not the amendment, the bill we have before us—allows direct funding to Indian tribes based on actual AFDC population.

Now, Indian AFDC population I heard is 1.3 percent, and I heard somebody say it is 1.7 percent of the population. Why would it be right to say they should receive 3 percent of the funding set aside? I think that is arbitrary. I also think it is maybe double what they are now receiving.

Indian tribes should be able to receive the block grant and be able to manage that, but it should be based on

the population receiving AFDC payments. It should not be some arbitrary figure that is pulled out of the sky.

I compliment Senator MCCAIN for the language he has inserted in the bill. I urge my colleagues to vote no on the Daschle amendment because I think it sets up an arbitrary level that happens to be about double what the current Indian population of AFDC is, and that is not called for.

I do not think it is a good way to manage our welfare program. I think Senator DOLE has good language in the bill. Hopefully, it will be sustained.

I urge my colleagues to vote no on the Daschle amendment.

I yield to the Senator from Rhode Island the remainder of our time.

The PRESIDING OFFICER. The Senator has 1 minute 20 seconds.

Mr. CHAFEE. My query is this, to the distinguished sponsor of the amendment. It seems to me that, as I understand it, Indians make up 1.5 percent of the AFDC caseload. There are different figures given here, but I heard no figure more than 2 percent.

Therefore, it is hard to understand why 3 percent should be set aside for this group that makes up 1.5 or 2 percent—whatever it is—of the caseload.

I would appreciate if the distinguished Senator could give us some help on that.

Mr. DASCHLE. Mr. President, I will use whatever time I may consume out of leader time to respond.

Mr. President, the point I made in the short remarks that I have just completed is that the circumstances affecting Indian tribes are vastly different than those affecting any other cross-section of the population.

We have unemployment rates in South Dakota close to 90 percent. Indian tribes nationwide have unemployment rates of up to seven times what they are for the rest of the population. Not only are we dealing with an extremely high level of unemployment, there is also little infrastructure to deliver social services on many reservations. Clearly, we have circumstances on many reservations that is far different from other areas.

That is really what we are trying to do, to recognize the extraordinary difficulties that we face in a very concentrated area: Reservations where there are really no resources; reservations where there is no employment. We cannot locate businesses on reservations today.

We are simply saying that if we are going to do this right, if we are going to allow tribes to do this right, we should allocate a 3 percent set-aside for tribes to allow them to begin solving these problems.

Other requirements of the welfare bill before the Senate are required on the reservation. They have to work. Workfare is going to be an essential part of the requirement for the tribes, as it is for everybody else.

Clearly, given the problems, given the requirements, and given the circumstances, I think this is the nominal amount of effort that we ought to put forth to do this job right.

Mr. NICKLES. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 35 seconds.

Mr. NICKLES. Mr. President, I do not doubt—as a matter of fact, I think I know probably almost as well as anybody on this floor—that we have very significant problems in the Indian community. Welfare is part of it. It may be part of the problem.

I am not sure that doubling the money going into AFDC for Indian tribes will solve that problem. It would provide greater cash assistance, no doubt. But I do not think that is necessarily right.

If they have 1.5 percent of the population, we will say they get 3 percent of the money—that is not going to make their problems go away. If I really thought that would make their problems go away, I might support the amendment.

We have lots and lots of problems on reservations and in the Indian community, but I do not think just by increasing cash payments, that that is a solution. I think the solution is in the Dole bill.

I urge our colleagues to vote no on the Daschle amendment.

Mr. DASCHLE. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question now occurs on agreeing to the Daschle amendment No. 2671.

The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 38, nays 62, as follows:

[Rollcall Vote No. 417 Leg.]

YEAS—38

Akaka	Domenici	Kohl
Baucus	Dorgan	Leahy
Biden	Exon	Mikulski
Bingaman	Feingold	Moseley-Braun
Boxer	Feinstein	Moynihan
Bradley	Ford	Murray
Breaux	Graham	Pell
Burns	Harkin	Pressler
Byrd	Inouye	Pryor
Campbell	Johnston	Sarbanes
Conrad	Kennedy	Simon
Daschle	Kerrey	Wellstone
Dodd	Kerry	

NAYS—62

Abraham	Bumpers	Craig
Ashcroft	Chafee	D'Amato
Bennett	Coats	DeWine
Bond	Cochran	Dole
Brown	Cohen	Faircloth
Bryan	Coverdell	Frist
Glenn	Kempthorne	Robb
Gorton	Kyl	Rockefeller
Gramm	Lautenberg	Roth
Grams	Levin	Santorum
Grassley	Lieberman	Shelby
Gregg	Lott	Simpson
Hatch	Lugar	Smith
Hatfield	Mack	Snowe
Heflin	McCain	Specter
Helms	McConnell	Stevens
Hollings	Murkowski	Thomas
Hutchison	Nickles	Thompson
Inhofe	Nunn	Thurmond
Jeffords	Packwood	Warner
Kassebaum	Reid	

So the amendment (No. 2671) was rejected.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. NICKLES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2518

The PRESIDING OFFICER. Under the previous order, there will now be 10 minutes of debate equally divided on the DeWine amendment, No. 2518, to be followed by a vote on or in relation to the amendment.

Mr. DEWINE addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. DEWINE. Mr. President, I yield myself such time as I may consume.

Mr. President, the amendment which Senator KOHL and I have proposed really is a very simple one. It encourages States to work to keep people off of welfare before they ever go on welfare.

I think this is not only the right thing to do from a humanitarian point of view but it is also the most cost effective thing to do. In fact, we have seen several States make great progress with their programs to do this—Utah, Wisconsin, and there are many other States that are now just starting this type of a program.

I believe that without this amendment the underlying bill would have the unintended consequence and resolve of discouraging States from this type of early intervention. And I think everyone agrees we should be encouraging States to do so.

Our amendment would give States credit toward their work requirement for reducing their caseload by helping people before they ever go on welfare.

As I said, Mr. President, I think it is a very simple amendment. But I think it is an amendment that will in fact make a difference and will in fact encourage the States to do what everyone agrees needs to be done; that is, keep people from getting on welfare.

I might add, Mr. President, that it does not give the States credit toward their work requirement if, in fact, the reduction in caseload is achieved merely by changing the requirements for being on welfare. These have to be actually meaningful reductions that are achieved in other ways. Of course, one of the ways to achieve those is, in fact, by having that very, very early intervention.

Mr. NICKLES. Mr. President, I wish to compliment the Senator from Ohio, Senator DEWINE, who explained this amendment last night. We reviewed the amendment. We have no objection to it.

Mr. MOYNIHAN. Mr. President, as one who dearly loves Federal regulations imposed on States in minute, indecipherable detail, I accept this amendment with great gusto.

The PRESIDING OFFICER. Do all Senators yield the time?

Mr. DEWINE. I yield the time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2518) was agreed to.

Mr. NICKLES. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2668

The PRESIDING OFFICER. Under the previous order, there will now be 10 minutes of debate on the Mikulski amendment, No. 2668, to be followed by a vote on or in relation to the amendment.

Who yields time?

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Mr. President, I yield myself 3 minutes on this amendment, and then I will yield to the Senator from Iowa.

I also ask unanimous consent that Senator WELLSTONE be a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. MIKULSKI. Mr. President, I correct myself. I yield myself 3 minutes, and then I will yield to the Senator from Iowa [Mr. GRASSLEY], 2 minutes.

Mr. President, today I rise to save the Senior Community Service Employment Program of title V of the Older Americans Act.

I do this to preserve over 100,000 senior citizen jobs. Title V provides part-time, minimum wage employment, and community service to low-income workers as well as training for placement in unsubsidized employment.

Its participants provide millions of dollars of community service at on-the-job sites making a critical difference in care centers, hospitals, senior centers, libraries, and so on.

The Dole substitute now before us repeals the Senior Community Service Employment Program. My amendment strikes this repeal. It saves the Senior Community Service Employment Program of title V of the Older Americans Act.

If title V is not removed from the welfare reform bill, it will be repealed, along with 100 Federal job training programs, and rolled into a block grant. This will have a devastating consequence on these older workers. It serves directly in the communities across the Nation that benefits from these.

My amendment is supported by senior organizations across this country, including AARP, the National Council of Senior Citizens, and others.

Mr. President, there are so many good reasons to support the Senior Community Service Employment Program. Title V is our country's only work force development program designed to maximize the productive contributions of a rapidly growing older population. It does this through training, retraining, and community service.

We should leave title V in the Older Americans Act. It does not belong in welfare reform, and it does not belong in the reform of the job training bills.

Title V is primarily operated by private nonprofit national aging organizations. This is not big bureaucracy.

It is a critical part of that Older Americans Act and has consistently exceeded all goals established by Congress and the Department of Labor, surpassing a 20 percent placement goal for the past 6 years and achieving a record of 135 percent in the last year.

Title V, this Senior Community Service Employment Program, provides a positive return on taxpayer investment, returning $1.47 for every $1 invested. It is means tested, and it also serves the oldest and the poorest in our society; 40 percent are minorities, 70 percent are women, 30 percent are over the age of 70, 81 percent are age 60 and older, and 9 percent have disabilities.

Surely they deserve to have their own protection.

Title V ensures national responsiveness to local needs by directly involving participants in meeting critical human needs in their communities, from child and elder care to public safety and environmental preservation.

Title V has demonstrated high standards of performance and fiscal accountability unique to Government programs.

Less than 15 percent of funding is spent on administrative costs.

Title V historically has enjoyed strong public support because it is based on the principles of personal responsibility, lifelong learning, and service to community.

I urge your support for my amendment.

Is the Chair tapping?

The PRESIDING OFFICER. The Senator's time has expired.

Ms. MIKULSKI. I did not hear the tap, but having heard the tap I now yield 2 minutes to the Senator from Iowa, a supporter of my amendment.

The PRESIDING OFFICER (Mr. ASHCROFT). The Senator from Iowa is recognized for 2 minutes.

Mr. GRASSLEY. I support Senator MIKULSKI's amendment because there are a unique group of older Americans who will not be properly served by Senator KASSEBAUM's new program, as well-intentioned as it is.

Title V provides community service employment. In my State of Iowa, the program provided a total of 402,480 hours of service just in this year.

These workers serve in public schools, child care centers, city museums and parks, as child care workers, library aides, kitchen workers; they work for Head Start, YMCA, YWCA, the Alzheimer's Association, the Salvation Army, the Easter Seal Society, and the American Red Cross.

They work in activities that support as well the other Older Americans Act programs like senior centers, congregate meal sites, and home-delivered meals.

I think this is a good use of taxpayers' money because it leverages private funds and other public funds. Senator KASSEBAUM's bill will not lead to programs providing such employment.

The Senator's legislation will help individuals find gainful private sector employment, and there is nothing wrong with that. That is a proper focus. But it is not a focus which is going to assist the kind of individuals currently enrolled in title V programs—people 55 years and older, less than 115 percent of poverty. We are talking about low-income older Americans. Thirty percent of these workers are over 70 years of age. Eighty-one percent are over 60 years of age. They will not benefit from the training programs and education programs that would be established under Senator KASSEBAUM's bill. Title V provides subsidized employment in community service jobs for workers who are highly unlikely to be the focus of programs under Senator KASSEBAUM's bill.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LEVIN. Mr. President, I am pleased to speak today as a supporter of the amendment of my friend from Maryland. Her proposal would remove the Senior Community Service Employment Program, or title V, from this bill. This amendment is important for several reasons: First, the Title V Program is not job training and should not be considered as part of this block grant; second, it fills an important role within the Older Americans Act; and third, it effectively serves a population that is difficult to reach with traditional job training programs.

The State of Michigan has had a long and successful relationship with this program. Thousands of people participate in it each year. These individuals work in hundreds of different occupations. The unifying factor in all this work is that older workers are contributing to their communities. In most cases, they are coming out of retirement to reenter the labor force.

I have received hundreds of constituent letters asking me to support this provision. In explaining their involvement with the Title V Program, almost all the participants mention "giving something back to the community." It is imperative that Congress capitalize on this feeling. Now more than ever we need to hold onto and support our sense of communities and this can be done by following the examples set by our elders. In many communities, title V programs provide the link between senior citizens and the younger generations. The SCSEP gives older workers an opportunity to become engaged with their neighbors in a direct and meaningful way.

Many of my colleagues know of the emphasis I place on community service. Usually, however, when we talk about this issue, our concern is about mobilizing young people to become involved. By contrast, the Title V Program is in operation. Its participants are active in communities now. If we repeal the Title V Program, many of these positions will be eliminated. One study estimates that 30,000 to 45,000 positions will be eliminated by 1998. This will deprive neighborhoods and towns of one of their most valuable resources.

Removing title V from this bill will provide us with the opportunity to discuss the reauthorization of the Older Americans Act in its entirety. I am aware that the Aging Subcommittee of the Labor and Human Resources Committee has already begun hearings on this issue. I look forward to seeing the recommendations that they produce on the act as a whole. I thank the Senator from Maryland for her leadership on this issue and I urge my colleagues to support the amendment.

Mr. SARBANES. Mr. President, I am pleased to join my colleague from Maryland, Senator MIKULSKI, in offering this amendment to save title V of the Older Americans Act. As you are aware, title V authorizes the Senior Community Service Employment Program [SCSEP] which provides senior citizens valuable opportunities to serve their communities by contributing their valuable insight and experience.

As a strong supporter and past cosponsor of the Older Americans Act, it is my view that the future of the SCSEP should be determined during the reauthorization of the Older Americans Act, and should not be considered as part of the welfare reform debate. This successful employment program which serves our Nation's senior citizen is not part of the welfare system and does not belong in this bill.

The SCSEP is one the most important programs authorized under the Older Americans Act which have been successful in the organization and delivery of support services for senior citizens. For almost 30 years this program has offered low-income persons aged 55 or older part-time paid community service assignments with the goal of eventually obtaining unsubsidized jobs.

The only work force development program specifically designed to maximize the potential of senior citizens, the SCSEP has consistently exceeded placement goals established by Congress and the Department of Labor. This clearly illustrates what I have always believed—older Americans want to contribute. They want to work, to volunteer, to participate in their community. It is critical that we recognize this interest and tap the valuable wisdom, insight, and experience that senior citizens bring to all aspects of life.

There are several successful SCSEP programs here in Maryland, one of which serves my home community of Wicomico County. The Senior AIDES Program—in cooperation with State employment offices, community colleges, and other federally funded employment and training programs—helps seniors get the skills necessary to become part of the work force.

Let me share with you one of the program's many success stories. Sarah Maxfield of Salisbury finished high school, got married, and raised a family. She had the occasional odd job or part-time work, but never really worked full-time until she had to go back to work to support herself. At age 57, she entered the Senior AIDES Program in Wicomico County. While receiving training in office skills, she also worked with the volunteer office delivering meals to elderly shut-ins.

In September 1994, after having received training, she was placed in a subsidized job at Shore Up, Inc., a local community action agency. Shore Up was so impressed with her that I am pleased to report that she was subsequently hired full time.

Mr. President, by including the SCSEP in the job training block grant portion of this welfare bill, the program will be forced to compete with other, unrelated programs for a limited amount of funding. The end result will be fewer seniors working and fewer communities benefiting from the contributions of these older Americans.

One of the central recommendations of the recent 1995 White House Conference on Aging with respect to seniors in the work force was to make available educational programs to provide skilled trained, job counseling, and job placement for older men and women. This enhances senior citizens' ability to stay in or rejoin the work force or to prepare them for second careers.

In my view, Mr. President, it is clear that the proper legislative vehicle for consideration of this important program is not a welfare reform bill. The SCSEP deserves to be debated fully as part of the reauthorization of the Older Americans Act and I urge my colleagues to support this amendment.

Mr. PRYOR. Mr. President, I rise today in support of the amendment proposed by my colleague from Maryland concerning the Senior Community Service Employment Program, also known as the title V program. This amendment would remove title V from the job training block grant contained in the welfare reform bill we are considering.

Mr. President, this program is unique among employment programs. It serves people whose needs are not met by the more traditional job programs. The program also has a unique character which I believe would be destroyed by the block grant approach.

Title V serves seniors who are often difficult to reach. The individuals who participate in this program have very low incomes, and often they have little or no formal job experience. Most participants are over 65, many are widows, and any job experience they have may have occurred decades ago. These individuals need this program because it is the safety net separating them from extreme poverty and welfare dependency.

Title V also differs from other job training programs because of its unique nature as a community service program. The jobs occupied by title V participants are in organizations which serve other seniors, children, and the community at large. Organizations which sponsor title V enrollees are those which are most likely to feel the pain of budget cuts and economic downturns, and they simply could not get the job done without the help of the title V program.

Mr. President, if the job training block grant includes title V, the losses will be felt throughout our social fabric. Who will lose? Well, first of all, the individuals who participate in title V will lose. By the time the block grant is fully implemented in 1998, between 30,000 and 45,000 older people will be given pink slips. Do we really want to tell 45,000 poor people, most of whom are aged 65 and older, that they can no longer work to supplement their meager income? Do we want to tell these proud people that we would rather have them on welfare?

Communities will also lose under this block grant. There will be money lost from local economies as we squeeze more people into poverty. Local communities across America will also lose vital human services which are made possible through title V—services like tutoring of disadvantaged children and meals for the poor. In this social climate, these are services we cannot do without.

Another big loser will be government. We will lose tax revenue from people who are no longer employed. We will also lose because the title V participants who are forced out of jobs will be forced to go onto the welfare rolls, causing us to spend more money

on the very programs in which we are trying to find savings. Mr. President, this just does not make sense to me.

I want my colleagues to understand that I am not standing before you saying that this program should not be changed in any way. I acknowledge that the time has come to subject title V to a thorough examination. As you know, concerns have been raised about this program, and these are concerns which deserve to be addressed. There also comes a time in every program when it is appropriate to take a few steps back, take stock of where we are, and make whatever changes are necessary to ensure that the program is fulfilling its central mission. But Mr. President, the last thing we need to be doing is combining this program with other employment programs with which it has very little in common.

Let us act decisively today to save this program—for the sake of our local communities and the many organizations which benefit from the program, and most of all, for the sake of the tens of thousands of older people who participate in title V. Over the years, this worthwhile program has freed countless senior citizens from a prison whose bars are poverty, dependency, isolation, poor self-confidence, and lack of experience. Let us not slam the doors shut on them.

Ms. MIKULSKI. Mr. President, today, I rise to save the Senior Community Service Employment Program—title V of the Older Americans Act—and preserve over 100,000 senior citizens' jobs.

Title V provides part-time, minimum wage employment in community services to low-income older workers, as well as training for placement in unsubsidized employment.

Its participants provide millions of hours of community service work at their on-the-job sites, making a critical difference at day care centers, hospitals, senior centers, libraries, and so on.

The Dole substitute now before us repeals the Senior Community Service Employment Program.

My amendment strikes this repeal and saves the Senior Community Service Employment Program, title V of the Older Americans Act.

If title V is not removed from the welfare reform bill, it will be repealed along with over 100 Federal job training programs and rolled into a block grant.

This will have devastating consequences on over 100,000 low-income older workers it serves directly, and the many communities across the Nation that benefit from these workers' job activities.

My amendment is supported by senior organizations across this country including the American Association of Retired Persons, Green Thumb, the National Council of Senior Citizens, National Council of Black Aged, National Council on Aging, and the Urban League.

The purpose of title V is to assure resources reach low-income older workers.

The special needs of low-income seniors are often ignored or neglected by other employment and training programs: Seniors with limited education; seniors with outmoded work skills; seniors with limited English-speaking ability; and seniors with a long-term detachment from the workforce, such as widows.

The purpose of having a separate title V of the Older Americans Act is to assure that funds are actually used to serve low-income persons 55 and older.

Title V merges two important concepts: Community service employment for seniors who would otherwise have a difficult time locating employment in the private sector, and the delivery of services in their communities.

Eliminating title V places seniors at-risk on winding up on welfare.

Title V enables low-income seniors to be economically self-sufficient, rather than depend upon welfare.

How ironic as we debate the welfare reform bill, that the result of repealing title V could swell the welfare rolls for seniors. Many title V participants are now self-sufficient. If this program is repealed and seniors lose their community service employment positions, these seniors may be forced to accept SSI, Medicaid, food stamps, and housing assistance.

Title V seniors would rather have a hand-up not a hand-out.

There are 10 good reasons to support the Senior Community Service Employment Program.

First, title V is our country's only work force development program designed to maximize the productive contributions of a radidly growing older population through training, retraining, and community service.

Second, title V is primarily operated by private, nonprofit national aging organizations that are customer-focused, mission driven, and experienced in serving older, low-income people.

Third, title V is a critical part of the Older Americans Act, balancing the dual goals of community service and employment and training for low-income seniors.

Fourth, title V has consistently exceeded all goals established by Congress and the Department of Labor, surpassing the 20 percent placement goal for the past 6 years and achieving a record 135 percent of goal in 1993–94.

Fifth, title V provides a positive return on taxpayer investment, returning $1.47 for every $1 invested.

Sixth, title V is a means-tested program, serving Americans age 55+ with income at or below 125 percent of the poverty level, or $9,200 for a family of one.

Seventh, title V serves the oldest and poorest in our society, and those most in need—39 percent are minorities; 72 percent are women; 32 percent are age 70 and older; 81 percent are age 60 and older; 9 percent have disabilities.

Eighth, title V ensures national responsiveness to local needs by directly involving participants in meeting critical human needs in their communities, from child and elder care to public safety and environmental preservation.

Ninth, title V has demonstrated high standards of performance and fiscal accountability unique to Government programs. Less than 15 percent of funding is spent on administrative costs.

Tenth, title V historically has enjoyed strong public support because it is based on the principles of personal responsibility, lifelong learning, and service to community.

I urge your support for my amendment.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. Who yields time in opposition?

The Senator from Kansas.

Mrs. KASSEBAUM. How much time do I have, 5 minutes?

The PRESIDING OFFICER. Five minutes.

Mrs. KASSEBAUM. I yield myself 3 minutes and would yield the rest of the time to the Senator from New Hampshire [Mr. GREGG].

I know how much the Senator from Maryland cares about older workers, as does the Senator from Iowa [Mr. GRASSLEY]. But I must oppose the Senator's amendment to remove the Senior Community Service Employment Program from the job training consolidation bill, which has been incorporated into the legislation before us, for the following reasons.

First, older workers are already protected in the bill. Each State must meet benchmarks that show how well they are providing jobs for needy older workers. Their funds may be cut if they do not do an adequate job.

Second, successful grassroots programs like Green Thumb—and it has been a very successful program in Kansas—will be able to continue. This does not mean that that program is going to end. It simply means that it will be part of the training initiatives in the State, and its voice will be heard at that level. Older workers will have a very strong voice with Governors, and States will hear that voice when they develop their statewide training system. I have no doubt but that such strong programs will prevail.

Third, older workers will be better served under the current bill because we will eliminate the middleman. Right now, most of the older worker funds go to 10 national contractors. The Senator from Maryland mentioned that fact. Let me just say, Mr. President, something I think it is important

for my colleagues to recognize. The GAO will soon release a report showing that there is a great deal of waste in these national contracts, overhead that will be eliminated if the funds go directly to the States.

For example, the GAO found that one contractor spent about 24 percent of its contract on administrative expenses, well above the amount that is currently permitted. Over $2 million was spent on personnel and $1 million was spent on fringe benefits. None of these funds went to older workers. It is an important group to reach, and I think the Senator from Iowa made that point. But I strongly feel there is a better way in which to deal with this. This training program is just one of 90 programs we have consolidated into a single system that will hold States accountable.

Finally, and I think this is an exceptionally important point to take into account, if we make an exception for this program, other programs will want out as well, and we will only perpetuate a system of duplication and overlap.

I must oppose the motion to strike. I would like to yield the remainder of the time to Senator GREGG, who cares a great deal also about the Older Americans Act. He is the ranking member of the Labor and Human Resources Subcommittee dealing with this issue.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. I thank the Senator from Kansas. I wish to associate myself with her remarks. The point she is making is that it is not a question of whether or not the money will be spent on senior citizens' jobs programs. Under the proposal of the Senator from Kansas, the same amount will be spent on senior citizens' jobs programs as will be spent as it is presently structured. It is a question of whether or not those dollars actually get to senior citizens or whether they stay here in Washington and are administered by a group of unrepresentative, in my opinion, or at least by people who have not competed for the grants and that receive the grants.

There are nine organizations that receive funds under this proposal. They receive them without competition. They simply are earmarked funds. These organizations, GAO tells us, are spending more than the law allows them to spend on administrative costs. Of the $320 million that is supposed to go to help senior citizens with jobs, $64 million of that $320 million is presently going to administration.

The proposal Senator KASSEBAUM has brought forward and which is included in this bill would allow that full $320 million to go back to the States. We would no longer see that money skimmed off here in Washington for the purposes of lunches and funding large buildings that are leased or driving around the city or coming up here and lobbying us. Rather, it would go back to the States and the States would have the ability through their councils on aging to administer these programs and as a result the dollars would actually flow to the seniors who need the jobs, which is the basic bottom-line goal here.

So if you want to vote against what basically amounts to a designated program where nine organizations benefit and put the money instead into the seniors' hands where the seniors can benefit, you will stay with the Kassebaum approach in this bill.

Ms. MIKULSKI. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and yeas were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maryland. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 55, nays 45, as follows:

[Rollcall Vote No. 418 Leg.]

YEAS—55

Akaka	Feinstein	Lieberman
Baucus	Ford	Mikulski
Biden	Glenn	Moseley-Braun
Bingaman	Graham	Moynihan
Boxer	Grassley	Murray
Bradley	Harkin	Nunn
Breaux	Hatfield	Pell
Bryan	Heflin	Pressler
Bumpers	Hollings	Pryor
Byrd	Inouye	Reid
Campbell	Johnston	Robb
Cohen	Kempthorne	Rockefeller
Conrad	Kennedy	Sarbanes
Craig	Kerrey	Simon
Daschle	Kerry	Snowe
Dodd	Kohl	Specter
Dorgan	Lautenberg	Wellstone
Exon	Leahy	
Feingold	Levin	

NAYS—45

Abraham	Frist	McCain
Ashcroft	Gorton	McConnell
Bennett	Gramm	Murkowski
Bond	Grams	Nickles
Brown	Gregg	Packwood
Burns	Hatch	Roth
Chafee	Helms	Santorum
Coats	Hutchison	Shelby
Cochran	Inhofe	Simpson
Coverdell	Jeffords	Smith
D'Amato	Kassebaum	Stevens
DeWine	Kyl	Thomas
Dole	Lott	Thompson
Domenici	Lugar	Thurmond
Faircloth	Mack	Warner

So the amendment (No. 2668) was agreed to.

Ms. MIKULSKI. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2592

The PRESIDING OFFICER. Under the previous order, there will now be 10 minutes, equally divided, on the Boxer amendment No. 2592, to be followed by a vote on or in relation to the amendment.

Mr. MOYNIHAN. Mr. President, may I ask that the Senator from Massachusetts be recognized for a unanimous-consent request?

The PRESIDING OFFICER. Yes. The Senator from Massachusetts is recognized.

PRIVILEGE OF THE FLOOR

Mr. KENNEDY. Mr. President, I ask unanimous consent that the privilege of the floor be granted to Omer Waddles, a legislative fellow in my office, during the consideration of H.R. 4.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I suggest the absence——

The PRESIDING OFFICER. Will the Senator withhold that request?

Mr. MOYNIHAN. Yes.

Mr. CHAFEE. Mr. President, is this the last amendment that time has been reserved for?

The PRESIDING OFFICER. The Senator is correct.

Mr. CHAFEE. I notice there was a Faircloth amendment intervening. Is that withdrawn?

Mr. SANTORUM. It was temporarily set aside.

Mr. CHAFEE. So following the Boxer amendment, we will then go to other amendments that are called up. Is there any time agreement following the Boxer amendment?

The PRESIDING OFFICER. The floor is open and other Senators may call up their amendments.

The PRESIDING OFFICER. Who yields time?

Mr. SANTORUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CHAFEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, I ask unanimous consent that the Boxer amendment be temporarily laid aside so that I might proceed with a modification to the underlying Dole amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 2280, AS FURTHER MODIFIED

Mr. CHAFEE. Mr. President, I send a modification of Senator DOLE's amendment to the desk.

The PRESIDING OFFICER. The Senator has that right.

Without objection, the amendment is so modified.

The modification is as follows:

On page 23, beginning on line 7, strike all through page 24, line 18, and insert the following:

"(5) WELFARE PARTNERSHIP.—

"(A) IN GENERAL.—The amount of the grant otherwise determined under paragraph (1) for fiscal year 1997, 1998, 1999, or 2000 shall be reduced by the amount by which State expenditures under the State program funded under this part for the preceding fiscal year is less than 80 percent of historic State expenditures.

"(B) HISTORIC STATE EXPENDITURES.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'historic State expenditures' means expenditures by a State under parts A and F of title IV for fiscal year 1994, as in effect during such fiscal year.

"(ii) HOLD HARMLESS.—In no event shall the historic State expenditures applicable to any fiscal year exceed the amount which bears the same ratio to the amount determined under clause (i) as—

"(I) the grant amount otherwise determined under paragraph (1) for the preceding fiscal year (without regard to section 407), bears to

"(II) the total amount of Federal payments to the State under section 403 for fiscal year 1994 (as in effect during such fiscal year).

"(C) DETERMINATION OF STATE EXPENDITURES FOR PRECEDING FISCAL YEAR.—

"(i) IN GENERAL.—For purposes of this paragraph, the expenditures of a State under the State program funded under this part for a preceding fiscal year shall be equal to the sum of the State's expenditures under the program in the preceding fiscal year for—

"(I) cash assistance;

"(II) child care assistance;

"(III) education, job training, and work;

"(IV) administrative costs; and

"(V) any other use of funds allowable under section 403(b)(1).

"(ii) TRANSFERS FROM OTHER STATE AND LOCAL PROGRAMS.—In determining State expenditures under clause (i), such expenditures shall not include funding supplanted by transfers from other State and local programs.

"(D) EXCLUSION OF FEDERAL AMOUNTS.—For purposes of this paragraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.".

Mr. MOYNIHAN. What does the modification do?

Mr. CHAFEE. Mr. President, it provides that there shall be a maintenance of effort at the 80 percent level, with the tight definitions that we have previously been discussing.

Furthermore, it provides that should there be the effort below 80 percent, then the reduction will be a dollar-for-dollar reduction between the State funds and Federal funds.

Mr. President, this is an amendment that we have discussed, I believe broadly, that has been cleared by both sides.

Senator DOLE is a supporter of this amendment on this side. Mr. President, I am glad that the amendment is acceptable. I want to thank everybody for this. I especially thank the senior Senator from New Mexico, Senator DOMENICI, for his outstanding work. He was key in the whole effort. Indeed, it was he who suggested to the majority leader that we have the 80 percent maintenance of effort.

This gets us through a difficult spot. We have been tied up on the 90-percent, 75-percent maintenance of effort. This is a compromise that has been worked out.

I know the distinguished Senator from Louisiana has been very, very active in this area, and I am happy to hear any comments he might have.

Mr. BREAUX. I will be brief, Mr. President.

We attempted, as our colleagues know, to offer an amendment that would require that States to maintain an effort of 90 percent of what they were doing in 1994 in order to assure that the States and the Federal Government had a true partnership in this effort.

That amendment lost by only one vote. I think this effort of the Senator from Rhode Island, Senator CHAFEE, is a good effort. It is a big improvement over the current bill that is before the Senate. It is not 90 percent, but it does at least maintain an 80-percent effort on behalf of the States. That is better than the current underlying bill.

The concern I have—and I ask the Senator to comment on this—is that the other body has no maintenance of effort at all in their bill and ultimately we will have to go to conference with the other body. I am concerned about the ability that the Senate will have to come out with a figure that is reasonable.

I wonder if the Senator from Rhode Island could comment on whether there would be united support for the Senator's effort on behalf of his Republican colleagues, and could he shed light on what he thinks may or may not happen as a result of a conference?

I conclude by saying I do congratulate him in this effort and I think it is a step in the right direction. Could he comment on what is likely to occur?

Mr. CHAFEE. Mr. President, first, I want to start off by commending the Senator from Louisiana because but for his amendment yesterday on the 90 percent, I do not think we would have reached the compromise that we have on the 80-percent maintenance-of-effort level.

The Senator is exactly right in pointing out that the House is at zero. All I can say is, obviously I cannot guarantee what will come out of the conference. Nobody can. All I can assure him is that speaking for this Senator, who I presume will be a conferee, plus the other Republican Senators who I presume will be conferees, including the majority leader, all have indicated that they are strongly in support of this effort and this percentage.

Now, I do not think we expect that this percentage is what will emerge from the conference. But it is going to be a lot better than zero, I can assure everybody of that.

Mr. BREAUX. I thank the Senator.

Mr. CHAFEE. Obviously, I hope that it would be the 75-percent level, but I see the distinguished ranking member of the committee, and we have all been through conference many times and all we can say is we will do our best.

Mr. MOYNIHAN. Mr. President, I simply would like to be recorded as saying the best of the Senator from Rhode Island is very good, indeed, semper fi, in my view.

I will be on that conference. I do not know to what consequence, but I will be there applauding.

Mr. CHAFEE. Mr. President, the mere presence of the Senator from New York at the conference is a big plus to our side.

Again, I want to thank him for his support of this amendment and thank the distinguished Senator from Louisiana for everything he has done, including previous to today as I mentioned before.

Mr. President, the amendment has been adopted. I want to thank all.

The PRESIDING OFFICER. The amendment was a modification of the amendment which was modified by unanimous consent.

Mr. GRAHAM. Mr. President, I asked for a copy of the amendment, and it was not available, so would the Senator from Rhode Island yield for two questions relative to the amendment?

Mr. CHAFEE. I yield.

Mr. GRAHAM. I am familiar with the amendment we voted on yesterday offered by the Senator from Louisiana as it relates to what categories a State can allocate funds which will count towards the 80-percent maintenance-of-effort requirement.

Could the Senator indicate if there are any variations from the amendment of the Senator from Louisiana? And, if so, what are those variations?

Mr. CHAFEE. It is my understanding this gets a little bit arcane, and I am not trying to avoid the Senator's question in any fashion. We can safely say, basically the same as the amendment of the Senator from Louisiana. That is, the Senator is talking about—it is the title I block grants which fits into the definitions.

Mr. GRAHAM. There had been concern about the definition under the original 75-percent maintenance of effort that it would have allowed, for instance, a State's contribution to Medicaid and Head Start programs to count toward maintenance of effort.

Mr. CHAFEE. I want to assure the Senator, because I was disturbed by that provision likewise, that there cannot be that kind—a contribution to Medicaid does not count. It has to be basically the AFDC existing categories. It cannot be something for food stamps or Medicaid or an automobile or something like that.

Mr. GRAHAM. The second question: We had earlier debate about what happens if a State's allocation of Federal funds declines, what occurs to that State's continuing maintenance of effort?

For instance, there is a very high probability that many States are going

to end up being sanctioned under this bill because they will have such a limited amount of Federal funds that they would be unable to meet the work requirements and therefore would become subject to the 5-percent sanction, reduction.

If that were to occur, what, if any, effect under your amendment will that reduction in Federal funds, for whatever reason, have on their maintenance-of-effort obligation?

Mr. CHAFEE. If the Senator can hold for a moment.

I know if the State goes down in its contribution, as I previously mentioned, then the Federal goes down dollar for dollar if the State should go below the 80 percent.

If your question is, what happens if the Federal goes down, under a sanction, for example—if I might get the answer to that.

If they are sanctioned, the answer is, I am informed, if they are sanctioned, the State still has to do its 80 percent. In other words, you cannot be so-called punished and be relieved of a burden at the same time, which is my understanding of the existing law today.

Mr. GRAHAM. Are there any instances in which, if the Federal funds are reduced below what they were in the base year 1994, that there would be adjustment to the maintenance of effort?

Mr. CHAFEE. I am not sure I understand.

Mr. GRAHAM. If for any reason—sanction or for other reason—sufficient that we do not appropriate the full $17 billion in the year 2000 and States get less than is currently projected, if for that or any other reason—sanction, political, economic, or otherwise—Federal funds should fall below the 1994 level, does your amendment provide for any adjustment to the maintenance-of-effort provision?

Mr. CHAFEE. We do not address that, nor did the Breaux amendment address it.

The question really is, should the Federal Government not make its appropriation, for the 1994 level, in the year 1998, or, as you said, 2000—we do not address that here. But I cannot believe that, with 100 Senators, all representing States here, that they are going to permit their State in some way to be punished, or lack funds, or have to continue their effort at 80 percent when the Federal Government does not do its matching share. But we do not specifically address that problem. We address the sanction problem.

Mr. GRAHAM. I wish I could be as sanguine as the Senator from Rhode Island. Having seen how many Senators voted to punish the poor children on an earlier vote, I cannot be so sanguine.

Mr. BREAUX. Will the Senator yield on that point?

When we altered the 90-percent maintenance of effort, it was based on 90 percent of what the State received. So if the State received less from the Federal Government because of cutbacks or whatever reason, they would have a 90-percent requirement, to spend 90 percent of the funds that they had received. Take that into consideration.

Mr. GRAHAM. Am I correct—this is a question of the Senator from Rhode Island—this 80 percent is based on what was received in 1994? The Senator from Louisiana explained that in his amendment the 90 percent was 90 percent of the Federal funds in the year of receipt. So if in 1998 a State received $100 million, it would have a required maintenance of effort of $90 million.

I understand under the amendment of the Senator from Rhode Island—or am I correct that the 80 percent is 80 percent of what the State's required effort was in 1994? Is that correct?

Mr. CHAFEE. Our bill—I cannot speak for the Breaux amendment because I am not familiar with that particular portion. Under our bill, the 80 percent is related to 80 percent of what the State paid in 1994.

Mr. GRAHAM. And that would be constant over the 5-year period, without regard to changes in the levels of Federal support?

Mr. CHAFEE. That is right.

Mr. GRAHAM. Thank you, Mr. President.

Mr. CHAFEE. I ask the Chair now the parliamentary situation.

I urge the adoption of the modification. Has that taken place?

The PRESIDING OFFICER. The modification has been made in the amendment, made by unanimous consent.

The pending question will be the Boxer amendment. There has been time reserved of 10 minutes, equally divided.

Mr. CHAFEE. Mr. President, I thank everybody for their help in this, and particularly I want to thank the majority leader, the distinguished ranking member of the Finance Committee, and others who have been very, very helpful on this. And of course the Senator from Louisiana. The Senator from Florida had some excellent questions.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

UNANIMOUS CONSENT AGREEMENT—AMENDMENT NO. 2592

Mr. SANTORUM. Mr. President, I ask unanimous consent that debate time and the rollcall vote scheduled with respect to the Boxer amendment No. 2592 be postponed to occur at a time later today, before the cloture vote, to be determined by the majority leader after consultation with the Democratic leader.

Mrs. BOXER. Reserving the right to object, Mr. President. I shall not object. I support it. I just want to use this time to thank Senator SIMPSON, the majority leader's staff, Senator SANTORUM, and Senator NICKLES. We are working out some technical changes that will assure that this amendment does what we all want it to do. I just wanted to put that on the record. I look forward to the vote later in the day.

It has been set aside. I am not objecting.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SANTORUM. Mr. President, we do not have any unanimous consent to work from at this point. We will take up, at this point, the Coats amendment.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

AMENDMENT NO. 2539

Mr. COATS. Mr. President, I call up amendment No. 2539 and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, that will be the pending question.

Mr. COATS. Mr. President, I think it is easy for us to be overly consumed by some of the details of this welfare debate, arguing numbers and formulas—portions of the legislation that are all important but can tend to mire us down and take our attention away from some of the broader implications of the debate we have been engaged in for the past several days. A great deal is at stake here, and I think we need to remind ourselves that this is the case.

If we as a Nation accept the existence of a permanent underclass, we will become a very different Nation indeed. Social and economic mobility has always been part of our national creed. It has been an outgrowth of our belief in equality. If we abandon that goal for millions of our citizens, through either indifference or through despair, giving up, we will do a number of, I think, socially very disadvantageous things. We will divide class from class. We will foster a future of suspicion and of resentment. And, while this may be a temptation to accept, I believe it is something we as a nation cannot accept.

On the left, it seems there are those who are so accustomed to the status quo that the best they can offer is some kind of maintenance of a permanent underclass as wards of the State, providing cash benefits to, hopefully, anesthetize some of their suffering, food stamps to relieve their hunger. But all hope for social and economic advancement seems to be set aside or abandoned.

On the right, it seems that there are some who simply want to wash their hands of all of this, who view the underclass as beyond our help and beyond any degree of sympathy or empathy. The only realistic response, they suspect, is probably more police and more prisons to deal with the tragic consequences of this breakdown in civil society.

The effect, I believe, of both of these approaches is to accept that poverty is permanent; that the underclass is going to be a fixture of urban life to be fed, feared, and forgotten. In doing so, we will condemn, in our minds, a whole class of Americans to be either wards or inmates. And I believe the American ideal will be diminished in that process.

I understand those temptations. The problems we face seem so intractable. Those who listened to Senator MOYNIHAN's initial discussion on the welfare bill last week had to understand both the brilliance and the sobering nature of that debate. We face a crisis, he said, and he outlined in graphic detail a crisis of illegitimacy that threatens not just the well-being of the children but the existence of our social order.

To quote Charles Murray, he said, "Once in a while the sky is really falling." And I believe, in this instance, as Senator MOYNIHAN has pointed out to us, that the sky is falling and that our Nation faces a crisis of a proportion that we have seldom faced before.

I also understand that any reform that we undertake, particularly any radical reform that we undertake of the system, is undertaken with a degree of uncertainty. Senator MOYNIHAN has reminded us of the law of unintended consequences.

Nathan Glazer has talked about "the limits of social policy," arguing that whatever great actions we undertake today involve such an increase in complexity that we act generally with less knowledge than we would like to have even if with more than we once had.

But I think we also need to understand that there is another law at work. That would be the "law of unacceptable suffering." Because as the cost of our welfare system mounts the human cost mounts, the risk of change is diminished, and I believe there is a point beyond which inaction becomes complicity. I think we have reached that point. I think this is a principle that ought to organize and direct our debate, to try to find a source of hope so that we will not have an endless class of underrepresented, underprivileged citizens with which we have nothing to offer—hope that our divisions, class divisions, that appear to be so intractable in our society are not permanent and hope that suffering will not be endless.

Mr. President, I think one source of that hope is found in devolution of power to the State. I know there is disagreement on that. But I think there is a compelling logic to the proposal. States are closer to the problems. Generally, State solutions are more acceptable to their public, and they are more flexible. We do not have a one-size-fits-all Federal mandate. Federal officials do not have a monopoly on compassion. I think that belies the lack of accomplishment over the last few decades.

So I support the devolution as an element of the Republican reform. But I believe also there are limits to the approach of devolution. The fact is most States have already engaged in some flexibility experiments and some devolution, some welfare experiments through devolution. Some reforms have been in place for years, and while the results show some good results there are several cases that have been good. Often progress is marginal, and sometimes incremental.

I do not offer this as a criticism. I offer it as a caution. Devolution I believe is necessary. But I do not believe it is all sufficient because, as we all know, State officials are fully capable of repeating the same mistakes as Federal officials, and State welfare bureaucracies can be just as strong and just as wrong as Federal programs.

So I think the limitations of devolution come down to this: The problem with welfare for the last 30 years is not the level of government at which money has been spent. Our difficulty is more than procedural. It is substantive. We need to make fundamental choices on the direction that our system is going, not just about its funding mechanisms.

Mr. President, I think a second source of hope is found in the strengthened work requirements of the legislation that we have been discussing. Requiring work for welfare makes entry-level jobs more attractive and discourages many from entering the welfare system in the first place. I think it is also an expression of our values as a nation. Work, as we know, is the evidence of an internal discipline. It orders and directs or lives. I believe no child should be without the moral example of a parent who is employed, if at all possible.

So I support this element of welfare reform. But, as we all know, work requirements are expensive. They are often difficult to enforce. They represent the problem of what to do with the mothers of young children. Again, while not arguing that they are useless but that their effect is limited, they should be supported but they should not be oversold.

I think a third source of hope is the removal of incentives to fail. We have been discussing that in detail today with these amendments. I think it is a mistake for Government to pay cash for a 14-year-old girl on the condition that they have children out of wedlock and never marry the father. We cannot justify, Mr. President, public policy that penalize marriage and provide illegitimacy its economic lifeline. I think Government violates its most fundamental responsibilities when it tempts people into self-destructive behavior.

So I support the elements in the Republican plan. But the destructive incentives in our welfare system are only part of the problem. The decline of marriage, the rise of illegitimacy are rooted clearly in broader cultural trends that affect everyone, rich and poor. Without a welfare system, these trends would still exist and still threaten our society.

Let me repeat that statement. Without a welfare system, the trends of illegitimacy, the decline of marriage, would still exist and still threaten at the rate of their growth, and would still threaten our society.

James Q. Wilson recently authored and article called "Culture, Incentives in the Underclass." He accepts the figure that less than 15 percent of rising illegitimacy between 1960 and 1974 was due to increased Government benefits. "Some significant part of what is popularly called the 'underclass problem'" he argues, "exists not simply because members of this group face perverse incentives but because they have been habituated in ways that weaken their self-control and their concern for others."

In other words, I think what Wilson was trying to say is that the basic problem lies in the realm of values and character, and those values are shaped, particularly in early childhood, by certain cultural standards. "I do not wish," Wilson adds, "to deny the importance of incentives such as jobs, penalties, or opportunities, but I do wish to call attention to the fact that people facing the same incentives often behave in characteristically different ways because they have been habituated to do so."

People are not purely economic beings analyzing costs and benefits. We are moral beings. We make choices that reflect our values. Incentives are not irrelevant but it is ultimately our beliefs and habits I think that determine our future.

So I support these measures: Devolution, work requirements, changing incentives. Each one should be part of the package that the Senate passes. But even if they were all adopted in the form that I would like I believe that our problems and our divisions would still persist.

It is important to work at the margins because those margins are broad. A 15 percent reduction in illegitimacy would be a dramatic and positive social change. A similar increase in work participation could be labeled a major victory. But I would suggest, Mr. President, that our greatest single problem lies beyond the changes that we are debating in this welfare discussion. That problem I would suggest is a breakdown in the institutions that direct and have humanized our lives throughout history, institutions of family, institutions of neighborhood, community associations, charities, and religious-based groups.

Sociologists call this the "civil society." They talk about "mediating

structures." They say that these institutions build "social capital" and "positive externalities." But this point I think can be reduced to some simple facts.

A child will never find an adequate substitute for a father who loves him or her. The mantle of government, the assistance of government, will never replace the warm hand of a neighbor. The directions of a government bureaucrat will never replace the counsel of a friend. Any society is a cold, lonely, and confusing place without the warmth of family, community, and faith.

So it is interesting that this is precisely the reason that Nathan Glazer warns of the "unintended consequences" in social policy. "Aside from these problems of expectations, cost, competency and limitations of knowledge," he argues, "there is the simple reality that every piece of social policy substitutes for some traditional arrangement, a new arrangement in which public authorities take over, at least in part, the role of the family, of the ethnic and neighborhood group, of voluntary associations [of the church]. In doing so, social policy weakens the position of these traditional agents and further encourages needy people to depend on the government for help rather than on the traditional structures," according to Glazer, and I agree with him. I believe this concern is real, and I think it ought to reorient our thinking and our efforts. Our central goal in this debate ought to be to try to find a way to respect and reinvigorate these traditional structures—families, schools and neighborhoods, voluntary associations—that provide training in citizenship and pass on morality and civility to future generations.

Listen again to James Wilson. I quote.

> Today we expect "government programs" to accomplish what families, villages and churches once accomplished. This expectation leads to disappointment, if not frustration. Government programs, whether aimed at farmers, professors or welfare mothers, tend to produce dependence, not self-reliance. If this is true, then our policy ought to be to identify, evaluate and encourage those local private efforts that seem to do the best job at reducing drug abuse, inducing people to marry, persuading parents, especially fathers, to take responsibility for their children and exercising informal social control over neighborhood streets.

Mr. President, I believe we should adopt this approach because the alternative, centralized bureaucratic control, has failed. And because, second, the proposal of strict devolution has, as I indicated earlier, limitations. But I think there is a third reason we ought to adopt this approach, and I think that is the most central reason, that is because this is the only hopeful approach that we face.

These institutions—family, neighborhood, schools, church, charitable organizations, voluntary associations—do not just feed and house the body but reach in and touch the soul. They have the power to transform individuals and the power to renew our society. There is no other alternative that offers and holds out such promise.

So I believe we ought to ask one question of every social policy passed to every level of government, and that question is: Does it work through these mediating, traditional, historical institutions, does it work through families, neighborhoods, or religious or community organizations, or does it simply replace them?

Our primary objective should not be to substitute bureaucrats from Washington with bureaucrats from Columbus or Sacramento or Bismarck. It should be to encourage and support private and religious, neighborhood-based, nonreligious efforts without corrupting them with intrusive governmental rules. Our goal should not only be to redistribute power within government but to spread power beyond government.

This I believe, Mr. President, is the next step in the welfare debate, the next stage of reform, the next frontier of compassion in America. Accepting this priority would focus our attention on possibly three areas: Emphasizing the role of family and particularly the role of fathers and mentors where fathers are not present in the lives of children; rebuilding community institutions; and promoting private charities and religious institutions in the work of compassion.

The next stage of welfare reform has to start with the family. The abandonment of children mainly by fathers is not a lifestyle choice. It is a form of adult behavior with disastrous consequences for children, for communities, for society as a whole. When young boys are deprived of a model of responsible male behavior, they become prone to violence and sexual aggression. Sociologists will prove to you over and over again these are irrefutable facts. When young girls are placed in the same situation, they are far more likely to have children out of wedlock. There is a growing consensus that families are not expendable and fathers are not optional.

The next step in welfare reform will reestablish a preference for marriage at the center of social policy in America. Wilson again observes that:

> Of all the institutions through which people may pass—schools, employers, the military—marriage has the largest effect. For every race and at every age, married men live longer than unmarried men and have lower rates of homicide, suicide, accidents and mental illness. Crime rates are lower for married men and incomes are higher. Infant mortality rates are higher for unmarried than for married women, whether black or white, and these differences cannot be explained by differences in income or availability of medical care. So substantial is this difference that an unmarried woman with a college education is more likely to have her infant die than is a married woman with less than a high school diploma.

An astounding statement.

Now, for those of us who have been married for a long time—and I just celebrated my 30th wedding anniversary—there are probably moments and days when that does not quite ring true.

Mr. MOYNIHAN. Will the Senator yield for a question?

Mr. COATS. I will be happy to yield.

Mr. MOYNIHAN. I heard him say he just celebrated his 30th wedding anniversary. Can I not assume that Mrs. Coats is also celebrating?

Mr. COATS. Mrs. Coats would be delighted and will be delighted when I explain what the Senator from New York has said about her. She was a child bride, and I was privileged to marry her. And she has retained the vibrancy of her youth. I claim no credit for that. She has done that in spite of her husband.

As Wilson has said, there are some great advantages to the institution of marriage; and I think that has been proven out over time, actually from the beginning of time.

As I said, while there may be moments that each of us can point to where we might question that fact, it is undeniable in terms of the statistics that are now in relative to life expectancy, rates of homicide, suicide, accidents, and mental illness. And as a nation, it ought to be our policy to promote that and not have policies in place, although maybe well intended, that often serve as a disincentive.

I also think that the next stage of welfare reform should find new ways of rebuilding economic and educational infrastructure, spreading ownership, housing, assets, educational opportunities. Successful businesses, active churches, effective schools, and strong neighborhoods have always been the backbone of community. To the extent that we can once again, through policy, where appropriate—in many places it is not appropriate and not effective—to the extent that we can emphasize and nurture this rebuilding, this renewal, we should do so.

We should also, I believe, focus our attention and resources on private charities and religious institutions, and that is the reason Senator ASHCROFT and I rise today to offer this amendment. We offer it primarily for discussion purposes, but we believe that a debate should, if it has not already, begin relative to the role of these institutions in dealing with some of our social problems.

We suggest that a charity tax credit, which we introduced last Friday, can answer some very important questions, the most important of which is how can we get resources into the hands of these private and religious institutions

where individuals are actually being transformed, renewed, and provided both external as well as internal help, and how can we do this without either undermining their work with our Federal and State and governmental restrictions or offending the first amendment.

We think this amendment accomplishes that purpose. We respond by offering a $500-per-person tax credit for charitable contributions to poverty alleviating, poverty preventing, poverty relief organizations. We also require that individuals volunteer their time as well as donate their money to qualify for the credit, because we think it is necessary to do more than simply write a check.

We think there are a couple very important things that can be accomplished by personal involvement: First, the obvious connection that comes with bringing together those that are seeking to provide assistance with those that need the assistance and the benefits that flow both ways from that effort. But, second, it is an accountability factor, a factor that allows individuals to see how their money is being used and to ensure that the agency, the church, the association, the group that is utilizing the dollars that are contributed, that they are utilized in the most effective and most efficient way.

We would like to take a small portion of welfare spending in America—estimates are that roughly about 8 percent of what total welfare spending is in terms of what the reduction in revenue to the Federal Treasury would be through the charity tax credit—and give it through the Tax Code to private institutions that provide individuals with hope, with dignity, help and independence.

We do not eliminate the public safety net, but we want to focus attention on resources where we think they will make a substantial difference.

Second, we would like to utilize this in a way of promoting an ethic of giving in America. Because when individuals make these contributions to effective charities, it is a form of involvement beyond writing a check to the Federal Government. It encourages a new definition of citizenship and responsibility, one in which men and women examine and support the programs in their own communities.

Marvin Olasky has written about all this. He comments:

> Within a few miles of Capitol Hill there are several places that we could visit today which solve social problems more effectively and efficiently than any measure we will pass in this welfare debate.

I took him up on that challenge, and one of the organizations I visited was a shelter operated by the Gospel Mission, just within the shadow of the Capitol, about 5 blocks from here, that takes homeless, hopelessly drug-addicted men off the streets and literally has transformed them into responsible, productive citizens. Their rehabilitation rate is 66 percent over a 1-year period of time.

The same program, or something similar to that program, is run by the Federal Government, called the John Young Center. I drive by it every evening on my way home from work. That center has been in and out of the newspapers. Drugs are regularly dealt. And it has been a place of despair, not a place of hope. They claim a rehabilitation rate of 10 percent. They spend 20 times the amount of the Gospel Mission.

Now, we ought to be visiting these institutions and asking ourselves the question, what are they doing at the Gospel Mission that they are not doing at the Federal center? Or, conversely, what are they doing at the Federal center that is not being done—that we ought to avoid doing elsewhere?

This is just one example, one example of examples that exist in almost every community in America, where because of frustration with a government-run program, with a government attempt, citizens have undertaken, either through religious charities, faith-based or not, religious-based, Big Sisters, Salvation Army, the medical volunteers, the local Matthew 25 clinic that exists in Fort Wayne, IN, where medical doctors volunteer their time to the poor—they exist everywhere, but not to the degree to which it is making a substantial difference in the macrosense in our Nation.

So Senator ASHCROFT and I are trying to highlight these organizations, show how they provide a measure of hope, how they can renew lives, renew communities and, hopefully, nurture them through acquainting our citizens with their work and giving them the means with which to contribute to them.

Robert Woodson said, for virtually every social program we face today, somewhere a community group has found the solution that works.

I believe, Mr. President, this is the greatest source of hope in this welfare debate. And the primary reason why I am not pessimistic is—because it is easy to be pessimistic—that many of these groups, as Woodson points out, are faith-based, not a particular faith, not a particular denomination. In some, the faith is contrary to my own faith, but they gain their authority and their success by serving their neighbors as a form of service to their God. And their ministry includes an element of spiritual challenge and moral transformation.

Government should not view this as a problem to be overcome, but as a resource that we ought to welcome with open arms because, in serving the poor, we ought to look at religious efforts as allies and not rejected as rivals to our program. That power of religious values and social change can no longer be ignored. It is one of the common denominators of a successful compass.

Let me wrap up here by quoting from Robert Woodson again. Bill Raspberry wrote a fascinating article on this some time ago in the Washington Post.

Woodson said:

> People, including me, would check out the successful social programs—I'm talking about the neighborhood-based healers who manage to turn people around—and we would report on such things as size, funding, leadership, technique.

He said:

> Only recently has it crystallized for me that the one thing virtually all these programs had in common was a leader with a strong element of spirituality. . . .

He said:

> We don't yet have the scales to weight the ability some people have to supply meaning [in other people's lives]—to provide the spiritual element I'm talking about.

He said:

> I don't know how the details might work themselves out, but I know it makes as much sense to empower those who have the spiritual wherewithal to turn lives around as to empower those whose only qualification is credentials.

Mr. President, the failure of our current approach has resulted among Americans in "compassion fatigue." That is understandable, but that is not healthy for our society. Compassion for the poor is a valuable part of the American tradition, and it is also a central part of our moral tradition. At the very deepest level, we show compassion for others because we are all equally dependent upon the compassion of our Maker.

But a renewal of compassion will ultimately be frustrated if we act on a definition of that virtue which has failed. The problem we face is not only that welfare is too expensive, which it is; the problem is that it is too stingy with the things that matter the most—responsibility, moral values, human dignity and the warmth of community.

This Nation, I suggest, Mr. President, requires a new definition of compassion, a definition which mobilizes the resources of civil society to reach our deepest needs. This is going to be a challenge to our creativity. Our response, I suggest, will determine much more about the American experiment and the limits that we place on its promise.

So the amendment that Senator ASHCROFT and I are offering is simply a step, a suggestion, a step toward providing a way to expand that compassion in America, to enlist our citizens in the act of citizenship, and to go beyond government to return to those institutions which historically, traditionally, and effectively have mediated some of our deepest social concerns—the family, the neighborhood, the schools, charitable organizations, religious and nonreligous voluntary associations.

I hope that we can move beyond the details of the welfare debate. Much of this will be discussions for future days. But I hope that this amendment we are offering at least offers a start and this debate in which we are engaging will take us to the place where we can step back and take a broader view of the problems we face and a more creative view of the solutions to address those problems.

Mr. President, with that I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I am going to have to be away from the floor for awhile now, but I want to say that the remarks of the Senator from Indiana are the most compelling and thoughtful and, in a certain sense, I hope, perfecting of any I have heard in 19 years on this floor debating this subject. I can scarce summon the language to express my admiration.

I acknowledge the persuasion that comes from citing dear friends of 40 years and more, such as Nathan Glazer and James Q. Wilson, with whom I have been associated. But the growing perception of the nature of our problem—I could have wished this debate had never taken place in the Senate.

The proposal to disengage the Federal Government from the care of dependent children is not something I can welcome. The address of the Senator from Indiana almost makes it worthwhile.

The other evening, Monday evening, at the American Enterprise Institute, Robert Fogel of the University of Chicago presented a superb historical perspective on the cycles of moral and religious awakening that have taken place in the United States since the 1740's, such as during the American Revolution, when we came to judge that the British Government was not sufficient ethically and morally as an institution. Abolition, slavery, temperance—we have had this experience before, and it may be we are beginning it again, because what the Senator says is so very clear that in the end, these are issues of community, issues of relationships, issues of moral understandings and persuasion.

I have said that however much we may be taking a retrograde measure with respect to a Government program, for the first time ever, we are beginning to talk about the problems of family structure. President Bush began this in an address at Notre Dame in 1992. President Clinton brought it up in a State of the Union Message when he rather casually cited projections which had been made in our office about where we may be heading. This week's issue of the the Economist discusses it as a worldwide phenomenon but uses the United States as the most advanced and desperate case.

I just will make one final caveat if you like, caution if you will. We are finally asking the right questions. I do not think we have answers. None will assert this more with greater conviction than such as Nathan Glazer or James Q. Wilson. Wilson gave the Walter Wriston lecture at the Manhattan Institute in New York City last November entitled "From Welfare Reform to Character Development." His new book is on character.

He has this passage. He says:

> Moreover, it is fathers whose behavior we most want to change, and nobody has explained how cutting off welfare to mothers will make biological fathers act like real fathers. We are told that ending AFDC will reduce illegitimacy, but we don't know that. It is, at best, an informed guess. Some people produced illegitimate children in large numbers long before welfare existed and others in similar circumstances now produce none, even though welfare has become quite generous.

We have to accept that. We will not get the right answers until we ask the right questions, but we are not there yet.

Without going into detail, we do have some early returns on a program of counseling and education with respect to teenage births, and we find no effect; a very intensive effort now 4 years in place with nothing to show. But that is all right, the effort has begun. Eight years ago, it would not have come.

So I just want to express my admiration and my thanks to the eloquent, persuasive Senator from Indiana.

Mr. President, I see the Senator from Missouri has risen. I yield the floor.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Mr. President, I want to join the senior Senator from New York in commending the Senator from Indiana for an outstanding, insightful, and dispassionate analysis of a very, very difficult problem. Too often in this Chamber, we view this problem as a financial problem or a governmental problem or a bureaucratic problem. But I think the Senator from Indiana has clearly alerted us to the fact that this is a problem for individuals, and it is a problem for families, and it is a problem for our culture.

I believe the measure which he and I are proposing is a measure which takes into account our understanding that we do not believe that government is the complete answer to the challenges we face. As a matter of fact, the Senator from Indiana has noted with clarity that there are many, many efforts by government which have been attended by only modest success, if it can be described as success at all.

When those enterprises are compared with the efforts that have been made by a number of private groups, including faith-based organizations, it is clear that the success rate, sort of the change rate, the therapy rate, the healing rate in those organizations is dramatically higher.

I was pleased to have the opportunity to cooperate with him to try to think of ways we could address our problems that go, as he puts it, ingeniously beyond government.

So often, it is in the role and nature of government to establish the minimums: If you do not follow these rules or these regulations, you end up in jail. You have to pay this much or you have to do this much in order to remain free. Government does not really call us to our highest and best, frequently. That job is the job of other institutions.

In order for us to solve this very substantial challenge, the critical challenge and a crisis in terms of our human resources, we are going to have to do more than minimums, the kind of thing government frequently deals with. We are going to have to get into the arena of maximums, and we have to find ways of calling on people to be at their highest and their best, rather than just participating in the fundamental threshold of what it takes to be a member of the club we call our society.

So beyond government, to expect to do more than government would do, to try to elicit responses from individuals who literally accept responsibility for helping in this circumstance, we have come up with this idea to provide incentives for individuals to invest their resources and themselves in private charitable enterprises which have a track record of doing what we have failed to do so miserably in our welfare program.

None of us have to recount the failure of the welfare program. We know that there are more people in poverty now than there were when we started the war on poverty. We know that the number of children in poverty is a higher percentage than it was when we started this assault on poverty by government. We can only conclude that the prisoners of the war, the POW's of the war on poverty, have been the children of America, the future of this great country.

What can we do to try to break this cycle of dependency, to slow the problem instead of grow the problem, because it occurs to me that as we have sought to remedy this situation, to bring therapy to this wound through government, we have exacerbated the problem; the hemorrhage has increased rather than been stemmed.

Perhaps it is instructive for us to look into our past to find out what might be helpful to us in the future.

Our current crisis in the cities is not singular, not unique, not something that never happened before. We have had crises in our cities before. Scholars have studied them, and they can point to ways in which we might remediate

them. And Professor Marvin Olasky, from Texas, has written eloquently, and Gertrude Himmelfarb has written, as well, about the same crisis that, 100 years ago, gripped American cities. One of the interesting things about those crises is that they were attended by a social outpouring, a civic commitment to deal with the problem.

The distinguished junior Senator from Illinois, yesterday, had a picture on the floor of the Senate. It showed youths huddled against a building, semi-clothed, barefooted, sleeping one upon the other, in Chicago 100 years ago. It was a tragedy then, and what is happening to our young people is a tragedy now. She had several suggestions that we could remedy the tragedy with governmental guarantees today. It is interesting to me that the tragedy was not remedied 100 years ago with governmental guarantees—and I am not against Government and against having the right kind of safety net and the right kind of transitional welfare; but when welfare moves from being transitional to vocational, and the Government becomes the keeper of the poor, and as the keeper of the poor, the Government keeps people poor, we have missed part of the equation.

One hundred years ago, a substantial component of the equation was simply that citizens cared, and they volunteered and worked with one another compassionately to meet the needs. We need to signal, state, and we need to, as the Government, develop an understanding in this culture, in our communities, in our cities across this country that we cannot get this job done and expect and want people to participate as volunteers.

There are interesting data that in the crisis of 100 years ago in New York, there were two volunteers for every needy person. We have substituted Government for volunteers, and now we have 200 needy people for every social worker. That is just not a problem with the numerics, because 200-to-1 is an incredible load. It is also a problem with the character, not just the quantity. I am not impugning the character of social workers. They are wonderful people that are devoting their lives. But it is different to be administered to by a paid social worker than by an individual who says, "I love you and this community enough to accept responsibility, and I want to be part of improving your lot. I want to help you move from where you are to a place that is closer to where I am. I want to help you elevate yourself from dependency to industry, from despair to hope."

We need to do what can be done to send a strong signal that we want the desperate and needy of America to be a part of the devoted aspiration and contribution of our communities and cities and citizens. This modest proposal says to people that if you will give to charitable organizations that meet the needs of the needy, you will get your normal tax break. But if, in addition to giving your money, you will also get involved—and the Senator from Indiana said it very clearly, that we want the extra impact of citizen involvement, but we want the extra accountability of citizen involvement, citizens who do not just write a check as a means of shedding the consciousness and excusing themselves from the challenge, but we want citizens who want the check as a way of propelling themselves into the challenge, to meet the challenge.

So if you will contribute to these charitable organizations and you will match your contribution with an hour a week, on the average, through the year—50 hours—we will say as a Government that we honor this, that we respect it, and we want to encourage this, we want to teach this as a value and virtue in American life, and we care for each other to the extent—to use the phrase of the Senator from Indiana—that we go beyond Government and that we get into the involvement, one with another, and we have an interface between those in need and those who can meet the need. That would carry us forward.

It is with that in mind that we have raised this proposal for debate in the U.S. Senate. I believe that I could stand here and go through a litany of these kinds of nongovernmental organizations, and I have pages of them and their examples and success rates and their success stories. The Senator from Indiana has appropriately indicated that they operated about one-twentieth of the cost that normally attends the governmental function.

I could talk about the experience of certain Governors, like Governor Engler, who has a program that is successful. He says the reason is that because he has been able to get the Lutheran Services to be a party to it, because they care at a different level. There is a different character about the helping hand of a volunteer than there is about the heavy hand of Government. He says that the reason the program works is that this caring, loving, helping hand is available 24 hours a day, 7 days a week. He says that in order to get certain of the Government programs to work, he has to ask people to have their problems between 9 in the morning and 5 in the afternoon, Monday through Friday. The truth of the matter is that needs arise in ways that require caring and help and healing, rather than bureaucracy.

So it is with this in mind that we have suggested to this U.S. Senate for its consideration, as it ponders what we do to meet the challenges of lives that are in despair, that we would consider making a statement that we want to revalue the work of volunteers. We want to say to individuals: Do not just write a check, but make a contribution with your life. And that could help us on the track to the solution that helped when, 100 years ago, volunteers overwhelmed the problems and began to move us on a track toward recovery.

While we are continuing in a mode of intensifying the problem, we need to be switching to a mode of mitigating the challenge. I think we can do that by encouraging the citizens to be the caring hand of the community and doing it in a way that expresses the care that healthy communities must have in order to be surviving communities.

I commend the Senator from Indiana for his outstanding statement of the opportunity for us to move beyond Government. I think we should take the small steps that are available to us and ultimately take larger steps to make sure that we move beyond Government so that we get into the category of success and remediation and we avoid what we have experienced to date, which is despair and aggravation of the problem.

I am grateful to the Senator and I thank him.

Mr. COATS. Will the Senator yield?

Mr. ASHCROFT. Yes.

Mr. COATS. Mr. President, I ask whether or not the Senator from Connecticut is here to offer an amendment. Senator Ashcroft and I intend to withdraw our amendment. But if there are others who want to speak on it, we obviously would encourage that. I have gotten some indication that the Senator from Pennsylvania wishes to speak on it. At the appropriate time, we will withdraw that.

Before I yield, let me commend my colleague for his articulate, passionate statement on behalf of a concept that I believe is critical to the future of this country, something that we must embody, embrace, and something that we must advance if we are to address this crisis that exists in our society.

He brings his experience as a Governor. He has had the opportunity that many of us have not had in dealing with this on a day-to-day basis from an executive position and as someone who was charged with the responsibility of carrying out policy instead of just making policy. He brings the experience of someone with a deep heritage of service to others, and his commitment to this concept is commendable.

I want to thank him not just for his support but for his initiation and his leadership on this effort. We have been going along parallel tracks and discovered that we were attempting to advance the same ideas, so we merged our efforts.

His thoughts about involving individuals as volunteers, as well as just the writing of a check for the tax credit, was instrumental to this package. His work and efforts and writings and speaking about it have been very, very important to this.

I thank him and I want to tell him what a privilege it is to go forward together and hopefully have others join us as we attempt to address this next stage in the welfare debate.

I thank the Senator from Missouri.

Mr. ASHCROFT. I thank the Senator from Indiana. I yield the floor.

Mr. SANTORUM. I thank the Senator from Connecticut for his patience. I know the Senator has an amendment to follow this. My understanding is this is an amendment we can accept on this side of the aisle. I will not make him wait unduly.

I wanted to speak on this issue because, like the Senator from Missouri and the Senator from Indiana, I, too, had a piece of legislation I introduced that provided a tax credit for charities that do work for the poor. It is a tax credit for people who give to charities, who do work for the poor.

I, too, like the Senator from Indiana, see this as the next logical step in the devolution of welfare. We had an experiment in the 1960's that tried welfare as a grand social scheme that, in fact, should be a national problem solved on a national level by national bureaucrats and national policy. I think what we have seen is that has been a dangerous and, in fact, a very destructive way of approaching this problem.

What is being offered here on the floor is, in my opinion, sort of a stepping-stone to what the final solution should be to solving the welfare problem. What we are doing here is a block grant back to the States, saying we need States to have more flexibility. We need to get it back down to the local level.

What Senator COATS, Senator ASHCROFT, and I have put forward is really this next logical step, which is why do we have the Government directly involved in setting policy on poverty at all? Why do we not enable, empower the people who are most concerned about the people who are poor, and that is people in their community, family members, neighbors, and people living down the street?

Those we have found over time are the most effective poverty-fighting tools that we have in our society—people who actually care about their neighbors and their friends and their family members.

What we need to do is take all this money that gets channeled through Washington and instead of having it channeled through here, take that money and directly send it to the nonprofit churches, in many cases, or community organizations that are directly involved on the front line of solving the issue of poverty in the communities.

I know the Senator from Indiana represents large cities like Indianapolis that have communities in them in those cities where there are no jobs, there is no nothing, there is no institution left. The only thing left is a church that holds the whole community together.

Why would it not be proper for those people who are paying taxes in that community to be able to take a tax credit to help that church which has dedicated their mission to helping people in poverty, instead of sending their tax dollars here so we can pay a bunch of people to tell them how to run their lives?

Get people who actually care about that next-door neighbor, who know the young girl who got pregnant and has to raise that child in a destructive home environment who lives next door. Get people who know their names, who care about them not because they are a number in the computer but because they are the next-door neighbor they have known for years.

That is what this is all about. This is not a devolution in the sense we are throwing away a responsibility and giving it to somebody else. What we are suggesting is there are logical people to handle these problems and it is not us. It is people who truly care.

What the Coats amendment, the Ashcroft, and my amendment would have done is just to take a small portion of the money that we spend on welfare and have that money be used to directly support communities.

The question here is not whether or not we should address the issue of poverty. It is who is best able to deal with the issue of poverty. Go home and ask folks as I have, and talk to people who are in the welfare system or who are poor, who are working poor, and ask them where they have gotten the most help. Is it from the person who sits behind the computer who has a caseload of hundreds, who processes paper and checks, or is it the minister or the person at the local soup kitchen, or whatever the case, or neighborhood food banks? Are those the people who actually care, who actually work to make it work for the people who are poor? That is really the fundamental issue here.

I was not on the floor at the time the Senator from Indiana gave his remarks, but I am looking forward to reading them in the RECORD because of the very high praise from the Senator from New York on his comments.

I can only imagine the passion that I know the Senator from Indiana has on this issue, the care and concern he has for making sure that we develop a system here in Washington that truly is caring, not caretaking; that is truly people oriented, humane in the very sense of human involvement with other human beings whose problems are not just something that we pay to maintain, but work to solve.

That is the fundamental, I think, logical next step and I am confident, when we address this welfare issue again, that we will see an increased support for this kind of amendment and for this approach to deal with the problem.

I am hopeful, whether we do it in the tax bill this time or whether its day is a little into the future, we are laying the groundwork now for something that I think will be—I believe this amendment is the most significant amendment that has been offered on the floor. I know it will be withdrawn because it is a tax matter and subject to points of order and all the problems, but I think this amendment is the most significant amendment about getting people involved in the communities to help their neighbors.

One of the great things about America is our relationships with our neighbors and our sense of community. The Federal Government has systematically, through welfare programs, said it is not our responsibility to care for our neighbor anymore; you pay taxes, you have Federal benefits, they will take care of them.

Well, folks, that may be nice and compassionate on the surface, but what it does is separate you from the people you live next to, and you no longer feel you are responsible for your neighbor. You feel that it is not a community anymore, that we are a set of separate kingdoms who pay our tributes to the lords and the lords will take care of everybody. That does not work. That is not America.

What we need to get back to is the whole concept that we are in this together, that we should be a community, that we do have a responsibility for our neighbors, and that we want you to be actively involved in participating, in making sure that your neighbors, as well as the other people in your communities are not in poverty and are living in dignity.

That is what this amendment does. I congratulate the Senator from Indiana for his stewardship on this issue. I only wish I could be here to vote for it, but I understand the need to withdraw the amendment.

Mr. LIEBERMAN. I thank the Chair. I do want to introduce an amendment following Senator COATS, but I have listened to the debate and I do want to say a few words of support because I think my colleagues are onto something here.

The human want, the human despair, the human suffering that is the welfare crisis that we are attempting to address in this debate was not caused by government.

There are many ways, I think we feel, in which government has facilitated or enabled the problem to become worse. The problem begins with people who have problems. And it will not end until those people are helped by their neighbors, by their communities, by a wide array of institutions.

What I am saying is, and I think this amendment gets to this, is that government has not, itself, created the

problem, although it may have exacerbated it. In the same sense, government alone will not solve the problem. We are going to need community groups, charitable groups, people finding strength within themselves. This amendment recognizes that and tries to create, in the way that we do this in America, tries to create a motivation through the tax system for people to get personally involved, once again, in greater numbers—many are now, obviously, but to be involved in greater numbers—helping their neighbors, their poor neighbors, work themselves out of poverty. So I think there is something here.

There is something here, also, in the fact that this well-intentioned program that started in the 1930's, Aid to Families With Dependent Children—in that sense, the contemplation of Congress was to help the children of widows—has become so large that in some measure it has sent a message to a lot of very well-intentioned, good-natured Americans that the poverty of their neighbors is not their concern.

In some ways we have become so good at governmentalizing our community responsibility that we have sent a message that individuals have less need to be responsible for those among us who are poor. This amendment cuts, also, at that conclusion and says to all of us we all have a part to play as we used to before government became so big and communities became so big.

I believe that these problems of babies born to mothers who are teenagers, unmarried—a cycle, generation after generation of welfare dependency—are so deep that it will take both government and private philanthropic, charitable, and religious institutions to make it ultimately better. But the very important point that this amendment makes is that Government cannot do it alone. And I congratulate my friends for introducing the amendment and making that point.

Finally, I say this. I also think they have made an important statement here in making it clear that religious organizations, faith-based organizations, should be eligible for this credit for participation in poverty assistance programs because those organizations, as I have seen in cities and poor areas throughout Connecticut, often have the greatest motivation, the greatest success rate in dealing with problems of poverty. When we bring it down to the individuals who are the beneficiaries of this program, I have yet to find a government program that could do a better job than a religious organization at instilling in the individual that necessary sense of self-worth which is the precondition to any genuine and hopeful effort to make that person's life better—based, of course, on the insight that my friend and colleague from Indiana referred to generally, which is that if you begin to see yourself as a child of God, and in that sense appreciate your value, then you are going to be better able to go ahead and remake your life in a way that testifies to that insight.

I know this amendment is going to be withdrawn. I do think the Senator from Indiana, the Senator from Missouri, and the Senator from Pennsylvania made a very important point here. I hope we can come back to it. I hope we will have the opportunity to come back to it, to try to truly not only make government more efficient in dealing with poverty, but to tap the truly powerful good nature of the American people that is out there and, I think, ready to be tapped to help those of their neighbors who are poorer in money and in hope and in opportunity than they are.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I congratulate the Senator from Connecticut for his excellent comments and apologize to him for jumping ahead of him. I did not realize he was rising to speak on the Coats amendment. Had I known that, I would have let him go forward. I thought he was just standing for his amendment. So I apologize for that, and I appreciate very much his comments and his support of this concept. The Senator hit the nail on the head very, very well, and I appreciate his support.

I congratulate, again, the Senator from Indiana for offering this amendment.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, I offer my sincere thanks to both the Senator from Pennsylvania and the Senator from Connecticut for their warm words of support for a concept that I think we all endorse and believe in. I, like the Senator from Connecticut, hope that we have initiated what will be, in the end, a historic debate about how we can effectively reach out and help those Americans who, in many instances through no fault of their own, find themselves in desperate circumstances, but do it in a way that is effective. There is compassion beyond government, and I think we are beginning to discuss and tap into what that is.

Because the amendment the Senator from Missouri and I have offered is subject to points of order, because it is a tax matter not directly relevant to this bill, because there needs to be more discussion and more foundation laid, in a moment I am going to ask unanimous consent to withdraw the amendment.

I think this has been a substantive discussion of an extremely important item that I hope will be brought back up for further debate and will become a integral part of the next tax debate on how we allocate resources of citizens of this Nation, how we allocate those in a way that makes a difference in people's lives and gives us the sense that our work is not in vain and that the check we write is truly making a difference, not only in our neighbors' lives but in society.

We look forward to that extended debate, and we look forward to the day when we can leave the amendment on the floor and bring it to a vote before the Senate. This is not the appropriate time to do that.

Therefore, I ask unanimous consent the amendment that is currently pending be withdrawn.

The PRESIDING OFFICER (Mr. GRAMS). Without objection, it is so ordered.

The amendment (No. 2539) was withdrawn.

The PRESIDING OFFICER. The Senator from Connecticut.

AMENDMENT NO. 2514, AS MODIFIED

Mr. LIEBERMAN. Mr. President, I ask the amendment I filed at the desk, amendment No. 2514, be called up.

The PRESIDING OFFICER. Without objection, the amendment is now pending.

Mr. LIEBERMAN. Mr. President, I ask unanimous consent a modification of the amendment that I send to the desk at this time be accepted.

The PRESIDING OFFICER. Is there objection to the modification?

Without objection, the amendment is so modified.

The amendment (No. 2514), as modified is as follows:

On page 17, line 8, insert ", for each of fiscal years 1998 and 1999, the amount of the State's job placement performance bonus determined under subsection (f)(1) for the fiscal year," after "State family assistance grant for the fiscal year".

On page 17, line 22, insert ", the applicable percent specified under subsection (f)(2)(B)(ii) for such fiscal year," after "subparagraph (B)".

On page 29, between lines 15 and 16, insert:

"(f) JOB PLACEMENT PERFORMANCE BONUS.—

"(1) IN GENERAL.—The job placement performance bonus determined with respect to a State and a fiscal year is an amount equal to the amount of the State's allocation of the job placement performance fund determined in accordance with the formula developed under paragraph (2).

"(2) ALLOCATION FORMULA; BONUS FUND.—

"(A) ALLOCATION FORMULA.—

"(i) IN GENERAL.—Not later than September 30, 1996, the Secretary of Health and Human Services shall develop and publish in the Federal Register a formula for allocating amounts in the job placement performance bonus fund to States based on the number of families that received assistance under a State program funded under this part in the preceding fiscal year that became ineligible for assistance under the State program as a result of unsubsidized employment during such year.

"(ii) FACTORS TO CONSIDER.—In developing the allocation formula under clause (i), the Secretary shall—

"(I) provide a greater financial bonus for individuals in families described in clause (i)

who remain employed for greater periods of time or are at greater risk of long-term welfare dependency; and

"(II) take into account the unemployment conditions of each State or geographic area.

"(B) JOB PLACEMENT PERFORMANCE BONUS FUND.—

"(i) IN GENERAL.—The amount in the job placement performance bonus fund for a fiscal year shall be an amount equal to the applicable percentage of the amount appropriated under section 403(a)(2)(A) for such fiscal year.

"(ii) APPLICABLE PERCENTAGE.—For purposes of clause (i)(I), the applicable percentage shall be determined in accordance with the following table:

"For fiscal year:	*The applicable percentage is:*
1998	3
1999	4

On page 29, line 16, strike "(f)" and insert "(g)".

On page 66, line 13, insert "and a preliminary assessment of the job placement performance bonus established under section 403(f)" before the end period.

On page 77, in the matter inserted between lines 21 and 22 (as inserted on page 19 of the modification of September 8, 1995), strike "(C) An increase in the percentage of families receiving assistance under this part that earn an income." and insert "(C) An increase in the number of families that received assistance under a State program funded under this part in the preceding fiscal year that became ineligible for assistance under the State program as a result of unsubsidized employment during such year.".

Mr. LIEBERMAN. As indicated, I submitted the amendment on behalf of my colleague from Connecticut, Senator DODD, and the Senator from Georgia, Mr. NUNN.

PRIVILEGE OF THE FLOOR

Mr. LIEBERMAN. Mr. President, I ask unanimous consent that Cindy Baldwin, who is a presidential management intern fellow in my office this year, be granted the privilege of the floor for the remainder of the debate on welfare reform.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LIEBERMAN. Mr. President, there is a happy story to be told in this amendment. I appreciate the fact we have come to a bipartisan agreement here on going forward with this amendment. This amendment, I think, goes to the heart of both bills, which is work, which is taking the welfare program and changing it from a kind of income maintenance program to a work opportunity, work creation, work realization program, hopefully, and definitely in the context of the private sector.

Mr. President, there are a lot of different ways, as I have spoken before on this floor, in this debate that the current welfare system is not working and does not reflect the best values of our country. Obviously, the extent to which it has helped to enable the breakdown of families, the birth of babies to teenaged young women without fathers in the house, and despair and hopelessness for the kids is profoundly troubling and has catastrophic implications for our society. But I believe that at the heart of the American people's hopes in this welfare reform debate is the question of work. In fact, a recent Wall Street Journal-NBC poll found that 62 percent of the respondents believe that work is the most important goal of welfare reform compared to 19 percent who considered reducing out-of-wedlock births as most critical. I do not mean to diminish the importance of the second goal because I think in terms of the long-term impact on the welfare rolls it is critical.

But just to suggest that the most profound way in which this system has digressed from the commonly held values and beliefs of the American people is the extent to which welfare does not encourage work, the extent to which it has discouraged work, the extent to which it frustrates and infuriates so many of the American people who feel that they are out there working hard every day paying taxes, and they fear and believe that too many of their tax dollars are going to support a system, this welfare system, that does not adequately encourage, force the people on it to get up, to go out and go to work.

Maybe that is why, as we look at the two basic underlying proposals that have been made here on each side of the aisle, that the word "work" appears in the titles that their sponsors have given them. Senator DOLE's proposal is, as I understand it, entitled "The Work Opportunity Act." Senator DASCHLE's proposal, which was heard as a substitute earlier and defeated, is called the Work First Act, and that is for the reasons that I have stated. The goal here is to cut the welfare rolls, to get people to work, and to create opportunity.

As these two proposals have come along, I think we have seen some ways in which they are quite similar and ways in which they digress that have caused some concern among some of us. It is interesting and important to note similarities because sometimes in this kind of debate, they get missed. Both proposals, Senator DOLE's and Senator DASCHLE's, set essentially the same goal when it comes to work—maybe some slight difference in wording—but that 50 percent of the people on welfare, the families, the potential income earners, be in jobs by the year 2000. It is a goal that is common to both bills. But the way we get there is different, and that is what has concerned some of us as we have watched the debate go forward.

In Senator DOLE's bill there is a 5-percent penalty at the end if you do not achieve the 50-percent placement of people in jobs. In Senator DASCHLE's bill, a different approach is taken. You might call it the carrot as opposed to the stick. And the carrot here is to say that we have to focus in and hold the States to a standard, and an important standard, which is the placement of welfare recipients in unsubsidized jobs, which is to say private sector jobs. We have some ideas looking at the experience about how to do that and where to do it, and our experience suggests building onto some of the cases and grants and programs that have been carried out under the Family Support Act of 1988, that the best thing to do is to not spend too much time at this business of training, although training is often necessary, but to focus on getting welfare recipients out there into a job, and then working with them and training them to make sure that they carry out that job well and that they do so in the context of the work that they are actually performing.

Senator DASCHLE's proposal, as I said, used the carrot, and it said that what we are going to measure every year is what percentage of people on welfare in a given State have been placed into private sector jobs. It is not enough to gauge how many are in training programs, because we have done this before. And people can spend a lot of time in training programs with nowhere to go, all dressed up and no job to take, or no job that they are willing to take.

This proposal, creating the personal empowerment contract, is somewhat like Senator DOLE's bill, which basically says when people sign up for welfare they have to sign a contract, and it has mutual responsibility—no more blank check. You get a welfare check. It is not even called a welfare check anymore; it is a temporary employment assistance check, and one of the things you have to continue to do to get that check is to go out and work, accept any job that is offered, understanding that that is better than being on welfare, and that it is putting you on the first step of a ladder in the private sector job market that can take you up and up to self-sufficiency.

So in Senator DASCHLE's proposal, a bonus was given to the States, an incentive beginning in 1998, creating a pool of 3 percent of the overall block grant authorized under Senator DOLE's underlying legislation; $16.8 billion a year in that block grant; 3 percent of that money in 1998, 4 percent in 1999, 5 percent in 2000, put into an incentive pool to be distributed to the States based on their success in getting people off the welfare, not into training programs, not into public works programs or those subsidized jobs, although those can be good sometimes, too, but into private sector jobs.

We think that would be not only an important incentive to change the orientation in terms of the beneficiaries of welfare, the welfare recipients, but we think it would be a very healthy way to shake up the welfare bureaucracy back home in the States, to create incentives that are different from today's.

Too often in today's welfare system the incentives encourage States and administrators and caseworkers alike to make income maintenance—not job placement—their primary mission—income maintenance, write out the check, process the application, get the check to the recipient. That becomes the focus of the system, not stopping the writing of the checks, getting the recipient off of welfare and getting them out into an income earning job.

The State administrators and caseworkers too often now are sent the message that it really does not matter whether or not they go the extra mile and spend the extra money to remove a recipient from welfare and into a private sector job. That is what this job placement bonus is all about. It sends a message to the States that, if they, their administrators, their case workers, go the extra mile to put somebody from welfare into a private sector job, that it will pay, that the State will receive more money, a job placement bonus, a simple yet critical tool to change the incentives in the welfare office back home from income maintenance to job placement. A bonus can, and I believe will, turn the welfare office into an employment office, which is what it ought to be.

Mr. President, so we had these two different visions, and I was prepared to offer a separate amendment to incorporate the job bonus provisions of Senator DASCHLE's proposal into the underlying bill. We have had the opportunity to reason together. We have had some very good conversations with Senator ROTH, whose modifications to Senator DOLE's underlying bill I will describe in a minute, and I think we have come up with a superb compromise which I hope people on both sides of the aisle can support.

Senator ROTH amended the underlying proposal consistent with the work that I have been privileged to be involved in with him, in his time as chairman of the Governmental Affairs Committee and ranking minority member before, to try to not only create programs but to create standards by which we can judge those programs as any business would do and to reward those who perform better under the programs we have created.

So in Senator ROTH's amendment, and provisions included in the underlying Dole bill, a 5-percent bonus pool is created in the year 2000 which would reward the States, for instance, in proportion to the reductions that they had achieved in the length of time families were receiving welfare payments, or the increases in the number of welfare families receiving child support. In other words, how many deadbeat dads had been shaken and awakened and finally were carrying out their responsibilities.

So here is the agreement I believe we have, and I am very grateful for it. It is carried out in the modification to my amendment, Mr. President, which I have sent to the desk.

Under this modification, in 1998, pursuant to the Work First proposal, there would be created a pool equal to 3 percent of the national block grant of $16.8 billion which would be contributed to the States based on their success in getting people off welfare and into a private, a real private sector job.

In 1998, that would begin with 3 percent. In 1999, the pool would go to 4 percent. And in the year 2000, Senator ROTH's provisions remain to create a 5-percent pool that would be distributed to the States based on five factors, four of which were in Senator ROTH's initial proposal, and the fifth would be the one that I have referred to which would be a measure of the extent to which the States have placed welfare recipients in private sector jobs.

I think this is a superb agreement. It makes both approaches better. I think it strengthens the underlying proposal by Senator DOLE. And more than the question of which side of the aisle it may have come from, or which proposal it strengthens, it puts teeth into the aim that I think all of us have, which is to get people off welfare and back to work, to save the taxpayers' money that we are now spending on a program that has created such dependency and despair, and to raise up the hopes and sense of opportunity for those who have been condemned to that life of despair on welfare.

So I thank Senator ROTH and his staff particularly, Senator DOLE and the leadership on the Republican side, and all those who have worked with us on this side. This proposal, I take some pride in noting, for a job-placement bonus emerges from work that has been done by the Democratic Leadership Council Progressive Policy Institute aimed at creating the right incentives in this system to get people off welfare and to work. I am privileged to be the chair of that group, now having succeeded my friend and colleague, the Senator from Louisiana, who I also see in the Chamber and who I am privileged to say has been a cosponsor of this amendment with me and Senator CONRAD, Senator NUNN, and Senator DODD.

Mr. President, I thank the Chair and my colleagues for their interest in this amendment and for what I hope will be unanimous support. I yield the floor.

Mr. BREAUX. Will the Senator yield?

I commend the Senator for structuring and offering remarks on this amendment.

I think it is important that when we do real welfare reform we do it not just to penalize States that fail to meet certain targets and goals but actually have an incentive to do something positive instead of something negative. Instead of from Washington punishing States, if you will, that do not meet the goals, we try to get them to accomplish and meet those targets by incentives and bonuses and extra awards if, in fact, they are able to meet the targets that we set.

Frankly, I think that is a far more efficient and far more appropriate method of trying to get States to meet the goals than to try to penalize them. I think this is in keeping with the partnership concept. This is not Big Brother demanding the States do something all of the time but to really say we hope they can meet these goals and, if they do, they are going to be rewarded and not just operate with a heavy hand by penalizing States that for various reasons cannot meet the goals we set.

So I commend the Senator for recognizing this very important fact in offering what I think is a major contribution to improving the welfare reform bill.

Mr. LIEBERMAN. I thank my friend and colleague from Louisiana. I thank him for all his work on this amendment. He gets right to the point, which I do want to just stress again, which is that our concern was the underlying bill by providing a 5-percent penalty at the end, at 2000, if States did not achieve the 50-percent reduction in welfare recipients to work, would be creating a situation where there might be an incentive not to comply.

In other words, complying will cost some money, getting 50 percent of the welfare recipients to work will cost some money and if there is no incentive, no provision, no way that the States by good behavior can get that money, they were going to be left with a series of choices which were not going to be very good. They would either have to raise State and local taxes, deny assistance to needy families to get money, or create a situation where kids would be left at home because there was not adequate funds for child care for people to try to get off welfare and go to work.

So we were worried that the alternative would be that they would start out making, unfortunately, the rational conclusion that maybe it was better not to try to reach the goal of 50-percent welfare to work, give up the 5 percent as part of the penalty because that would actually cost them less than what they needed to meet the goal.

We think that putting these proposals together in this amendment now creates a positive incentive along the way—1998, 1999, 2000—among States to have them compete, if you will, to have a greater part of that pool we are creating to see which State can place more people into private sector jobs and therefore receive more money. Again, I thank my friend from Louisiana, and I yield the floor.

Mr. President, if there is no further debate, it had been my understanding that this was acceptable on both sides.

As I said before, I really want to stress, with some sense of gratitude, the support that Senator ROTH has given in putting this together, I gather, agreed to by leadership on the Republican side, and I sure hope this is part of a sense of compromise but also honing our purposes and coming together in ways that will allow us to achieve a strong bipartisan majority in favor of true welfare reform.

I urge adoption of the amendment.

Mr. CONRAD. Mr. President, I am pleased to rise as a cosponsor of the Lieberman-Breaux-Conrad amendment. I am also pleased that we have been able to reach a compromise with Senator ROTH on this issue.

Mr. President, the funding for work in the Republican bill is woefully insufficient. When the Finance Committee considered welfare reform, the Congressional Budget Office told me that funding in the Republican bill was so insufficient, that only 6 States would have a work program. CBO said States were more likely to take the 5 percent penalty in the bill than put welfare recipients to work.

Now, after the Dole bill has undergone several modifications, CBO says that only 10 to 15 States will have resources sufficient to meet the work requirements under the bill. Seventy to eighty percent of the States will simply not operate the kind of work program advocated by the bill.

The risk that most States will not even have a work program makes the Lieberman-Breaux-Conrad amendment extremely important.

Our amendment establishes a bonus fund under the block grant for States that move people into unsubsidized, private sector jobs. Our compromise with Senator ROTH dramatically improves the incentives for States to operate meaningful work programs, even in the face of woefully insufficient resources.

It is important to remember that many welfare recipients are difficult to employ and require more significant assistance in order to become employable. Sixty-three percent of long-term welfare recipients—those on the rolls more than 5 years—lack a high school diploma. Fifty percent of long-term welfare recipients had no work experience in the year before the entered the welfare system.

Mr. President, I do not want to leave anyone with the impression that our amendment is a panacea. It is not. Nor does our amendment fix the significant problems in the Republican bill. Even with our amendment, States will not have the resources to move long-term welfare dependents into the private sector work force. However, the amendment I offering with Senators LIEBERMAN, BREAUX, NUNN, and DODD does provide a critical incentive for States to get people into real jobs and off the welfare rolls. It is a small, but important step toward improving the bill before us.

I urge my colleagues to support the amendment, and again thank Senator ROTH for his willingness to work with us in reaching a bipartisan compromise.

Mr. ROTH. Mr. President, I am pleased Senator LIEBERMAN proposed his performance standards amendment and that we have been able to collaborate on this important initiative. I also want to thank Senator HATFIELD for his interest in this issue and for his support.

Mr. President, the last time Congress passed major welfare legislation was in 1988 to create the job opportunities and basic skills training [JOBS] program. The intent of this legislation was to move families from welfare to work. Since then, Federal and State governments have spent almost $8 billion on this program alone. This does not include JTPA or a variety of other employment and training programs.

GAO has issued a number of reports on the JOBS Program. One need not read past the title of a recent statement by GAO before the Committee on Labor and Human Resources which states, "AFDC Training Program Spends Billions, But Not Well Focused on Employment." GAO testified, "Today, more than 5 years after JOBS was implemented, we do not know what progress has been made in helping poor families become employed and avoid long-term welfare dependence."

After spending $8 billion on this program, what has the program achieved for the taxpayers or the welfare recipients? GAO does not know. The Department of Health and Human Services does not know. The existing AFDC quality control system cannot tell us. We simply do not know.

Over the years, Congress has created a confused and confusing system which rewards idleness and punishes work. The goal of employment has been lost in an excessive bureaucracy. Education and training have been separated from employment when a job is the real education and training program people need. That is a system which makes sense only in a Lewis Carroll story.

Mr. President, by now, it is generally well known that the Republican welfare reform bill eliminates the JOBS Program and gives the power to the States to design their own work solutions. However, we have also taken an additional step to ensure that we will know whether the States are effective in moving toward the goal of reducing dependency by incorporating performance standards into the legislation. Senator LIEBERMAN's ideas and support strengthen this proposal.

These performance standards are consistent with the quality assurance system already being discussed among the States. The National Association of Human Services Quality Control Directors has stated that, "with the numerous welfare reform waivers being implemented across the Nation, one essential component is the provision of performance outcome measurements."

The idea of establishing performance standards is not new. In the Family Support Act of 1988, Congress required the Secretary of Health and Human Services to develop and transmit to Congress a proposal for measuring State progress. Those recommendations are nearly 4 years overdue. Much of the testimony during the welfare hearings held since March supported the idea of outcome-based performance standards. I do not believe we need to wait any longer to implement that which we called for 7 years ago. Earlier this year, the quality control directors helped develop eight specific outcome-based measurements. These measurements were developed by State officials from Delaware, Illinois, California, Oregon, Kentucky, Georgia, Massachusetts, Minnesota, Virginia, and West Virginia. The measurements included in the Republican bill are consistent with those recommended standards.

Let me also point out there are inherent benefits to be realized in whatever progress the States make toward these performance measurements.

Block grants should not mean simply giving money to the States and turning our backs on what they do with it. The purpose of public assistance is to help families temporarily in need to return to financial independence. Establishing performance standards will help us hold the States accountable for this $16 billion program.

Properly understood, welfare reform is about reforming how Government works. Under the present system, no one is accountable for results. In 1993, Congress took an important step toward outcome-based performance through the Government Performance and Results Act. For the welfare system and for other governmental programs as well, block grants to the States are another important step in reform.

This next step in welfare reform may well become a giant leap in reinventing Government. In the future, Government funds will no longer be simply distributed to provide a good or service. By instituting a quality assurance system based on performance standards, the American people will know whether their hard-earned dollars worked as intended. Over the past 30 years, we have spent $5.4 trillion on our longest war, the war on poverty. Now is the time, before another 30 years go by, to establish a system which will tell us whether the goals we have set are being achieved. Performance standards will enable us to do exactly that and we will not need the miles of regulations and thousands of bureaucrats which now drive the system.

Again, I want to recognize and thank Senator LIEBERMAN and Senator HATFIELD for their efforts on this legislation. I want to also express my deep appreciation to Senator DOLE for including my amendment in the Republican substitute. We have taken a bold and important step in changing the way Government works.

Mr. HARKIN. Mr. President, the only way to permanently reduce the welfare rolls is to put welfare recipients to work in unsubsidized, private sector jobs with the skills to remain self-sufficient. It is impossible for a welfare recipient to become economically self-sufficient if that individual is not earning a paycheck.

Throughout this debate I have urged my colleagues to use common sense in finding a solution to the perplexing problem of welfare dependency. The Lieberman Work Bonus amendment makes good sense.

The amendment sets aside a small portion of the block grant to provide bonuses to States that have been successful in placing recipients in unsubsidized, private sector jobs. But getting a job is not enough; welfare recipients must keep those jobs. So this amendment provides an additional bonus for job retention.

I urge my colleagues to support this amendment which will enable more welfare recipients get the jobs they need to get off of welfare and become self-sufficient.

Mr. President, an analysis by the Congressional Budget Office estimates that 30 to 35 States will not meet the work rates established in the Dole amendment. Given that reality, States may be tempted to cut corners and find a quick fix rather than seek long-term solutions. What may work in the short term will not achieve the lasting change we seek.

Last December, Iowa's Governor, Terry Branstad, told me at a hearing that we need to make "up front investments" to achieve "long-term results." Iowa has been making these investments and is achieving success. We have much more to do, but it is clear that the trends are moving in the right direction. The welfare rolls are declining, more welfare recipients are working, and costs for AFDC are down.

I believe that part of the reason Iowa is achieving such good results is that welfare recipients have incentives to take jobs. They are able to keep more of what they earn and are encouraged to save part of the paychecks to deal with future emergencies.

Other States have also secured waivers to increase work incentives and are having similar results. I believe we should encourage Iowa and these other States to stay the course that is showing such promising results.

The title of the Dole bill is the "Work Opportunity Act." We need to make it clear that the opportunity to work is not in some dead-end, make-work Government job, but in a job that provides a paycheck.

The set-aside is a modest amount, but provides a powerful incentive for States to duplicate successful job placement programs like that in Riverside, CA. Or, of course, follow Iowa's lead on welfare reform.

I know I sound like a broken record but once again I am going to talk briefly about the Iowa Family Investment Program. One of the greatest successes of this new program is that more welfare recipients are working.

The welfare reform program took effect on October 1, 1993. At the time 18 percent of welfare recipients were working and earning income. The number of people has been increasing and is now 32.6 percent.

This is just the number of people who are working and earning income. It does not include the welfare recipients who are attending education and training programs or who are performing community service or are engaged in other worthwhile activities—32.6 percent of Iowa welfare recipients are working and earning the paycheck that is critical to moving them off the welfare rolls and keeping them off.

This amendment rewards States for doing that very thing. As I said earlier, it just makes sense. Without such an incentive, I am concerned that States may take the short course.

This amendment does not penalize any State, but merely provides an incentive for putting people to work in real jobs that earn real paychecks.

In closing, I ask unanimous consent that a recent editorial from the Des Moines Register be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Des Moines Register, Sept. 2, 1995]

WORKING WHILE ON WELFARE

Iowa's innovative welfare-reform program continues to look good.

Just under two years ago, Iowa's Aid to Families with Dependent Children program was converted to a new Family Investment Program with the intent of moving more people off welfare and into jobs. That for years has been the intent of the AFDC welfare plan, which has had some success. But the Iowa plan changed the ground rules, allowing welfare families to keep more of their assets and their earnings to increase incentives to get a job.

In July 1993, 18 percent of Iowa AFDC family heads held jobs. The reform plan began three months later. By July 1994, 31 percent had jobs. By July of this year, the proportion had risen to 32.6 percent—nearly twice the level of two years earlier.

That 32.6 percent gives Iowa the highest ratio of working welfare recipients in the nation.

The reform plan contains a carrot-and-stick approach. Under both the old and new plans, workers' welfare benefits decreased as earned income increased, but under the new plan it decreases at a slower rate, meaning total income is higher. Also, under the new plan, recipients can have higher assets and still receive help—which encourages saving.

The stick: Recipients can lose benefits if they don't sign a contract to get a job or job training, or if they sign but don't live up to the contract's provisions. That has happened to more than 1,000 former recipients. They still get food stamps and medical care, and public health officials check on the children. But no more cash grants.

Iowa is setting an example the nation would be wise to follow.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. We do accept the amendment on this side of the aisle.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question then is on agreeing to the amendment.

So the amendment (No. 2514), as modified, was agreed to.

Mr. GRASSLEY. Mr. President, I move to reconsider the vote.

Mr. BREAUX. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2603

Mr. FAIRCLOTH addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. FAIRCLOTH. I call up my amendment 2603.

The PRESIDING OFFICER. The amendment 2603 is now pending.

The Senator from North Carolina may proceed.

Mr. FAIRCLOTH. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in the Friday, September 8, 1995, edition of the RECORD.)

Mr. FAIRCLOTH. Mr. President, I ask unanimous consent that Senator HELMS be added as a cosponsor on this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FAIRCLOTH. Mr. President, before coming to the Senate I spent 45 years in the private sector meeting a payroll as a businessman and a farmer. Every year I watched as the Congress went into session and adjourned, leaving it more difficult for working taxpayers to make ends meet because of the out-of-control Government spending programs that have put our country on the path of fiscal disaster.

Of all the spending programs implemented by the Federal Government, none has been a bigger failure than those programs collectively known as welfare. President Johnson's war on poverty was launched with good intentions, but it has been a miserable failure—a disaster. And in many ways it has made the plight of the poor worse instead of better. The current welfare system has become a national disaster.

A simple commonsense principle—that we have failed to heed—has gotten our Nation and the poor into the present fix: You get more of what you pay for. And for the past 30 years the Federal Government has subsidized and thus promoted self-destructive behavior like illegitimacy and family disintegration. Almost one in three American children is born out-of-wedlock. In some communities the out-of-wedlock birth rate is almost 80 percent.

What is needed is a dramatic change—a reversal of the trends and programs of the last 30 years, and not another failed Federal Government program, like the Family Support Act of 1988, which perpetuates the problem of welfare dependency and increased them.

I know from first-hand experience that if you have a problem with your business you have to do something about it immediately.

If you tinker around the edges and do not address the problem you will be out of business. Unfortunately, far too few of my colleagues have had the benefit of that sort of business experience. For many here in the Senate, there is no problem that can not be fixed with another Federal spending program and another appropriation of tax dollars.

Mr. President, these people may mean well and they may think that they're being humane, but the way to solve a problem is to address the root cause. And the root cause of the tragedy of welfare dependency is illegitimacy, the rise in out-of-wedlock births. Only by seeking to curb the rise in out-of-wedlock births can we possibly hope to reform welfare.

The findings of the Dole bill state clearly:

The increase in the number of children receiving public assistance is closely related to the increase in births to unmarried women.

It goes on to say:

Children born out-of-wedlock are 3 times more likely to be on welfare when they grow up.

Among single-parent families, nearly half of the mothers who never married received AFDC while only one-fifth of divorced mothers received AFDC.

This is all from the Dole bill.

Young women 17 and under who give birth outside marriage are more likely to go on welfare and to spend more years on welfare once enrolled.

That is why I have consistently urged the leadership to include provisions like those in the House-passed bill which take away the current cash incentives for teenage mothers to have children out-of-wedlock.

And that is simply what it is—a cash incentive to encourage teenage women to have children out of wedlock.

Currently, 40 percent of AFDC recipients are never-married women, and never-married women are most likely to remain on welfare for 10 years or more. Only by taking away the perverse cash incentive to have children out-of-wedlock can we hope to slow the increase in out-of-wedlock births, and ultimately end welfare dependency. We must take away the cash incentive.

Middle-class American families who want to have children have to plan, prepare, and save money because they understand the serious responsibility involved in bringing children into the world. It is unfair to ask these same people to send their hard-earned tax dollars to support the reckless irresponsible behavior of a woman who has children out of wedlock and continues to have them, expecting the American taxpayers to pay for them, as we have done for the last 35 years.

I do not believe that the Federal Government should ever have been in the business of saying to a 15- or 16-year-old girl, "If and only if you have a child out of wedlock we will send you a check in the mail every month to arrive on the third day of the month." This is what we say to them. "If you have a child out of wedlock, we will send you a check every month."

The Federal Government should not be in the business of subsidizing illegitimacy.

I believe that there should be a clear restriction on the use of Federal funds to provide cash to unmarried teenage mothers. We should provide in-kind aid or aid through supervised group homes. The mother as well as the baby she is having need supervision. But we should not use Federal tax dollars to send checks in the mail to unmarried teen mothers. Any State government that believes in its heart that the best way to assist teenage mothers in the State is to send that mother a check in the mail should use State funds and not Federal funds.

The House-passed legislation contained a clear restriction on the use of Federal funds to give cash welfare to unmarried teen mothers. States are perfectly free to use their own money for that purpose. But not Federal tax dollars.

I believe the House provision is correct. However, there has been a lot of concern expressed that this policy is overly directive. Therefore, in the amendment I have introduced, I have attempted to strike an even greater balance between the need to combat illegitimacy and the need for State flexibility.

My amendment takes the restriction on the use of Federal funds to give cash to unmarried teen mothers and adds what has become known as an "opt-out."

Under this amendment, Federal funds cannot be used to give to minor mothers. But the State legislature wants to come into session and overturn Federal policy, it is free to do so.

Under this amendment, if the State legislature wants to come into session and overturn the Federal policy, they are free to do so.

States cannot continue the failed policies of the past by doing nothing. They cannot just ignore the issue of teen illegitimacy and hope it will float away. Any State which wishes to use Federal tax dollars to give cash welfare to unwed mothers must go into session and enact a law to do so. Therefore they will be responsible to the voters in that State that sent them to the State legislature.

Thus, the amendment does not mandate a specific solution. But it will generate careful State consideration of the issue. This amendment does not prohibit State governments from using Federal funds for cash aid to unmarried teenagers. But it forces them to consider very carefully what they are doing before they continue to do so. It forces States to think cautiously and deliberately before they choose to continue a policy which has caused so much damage in the past.

If enacted, my amendment will generate the needed debate at the State level on teenage pregnancy.

Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. FAIRCLOTH. I yield the floor.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, the simple answer to the issue that is before us, very well stated by the Senator from North Carolina, is that the morals around us will change when the morals within us change. That is going to be a slow process. That does not make any less important the issue that is before us.

The Senator from North Carolina has very well stated a proposition, and he probably feels he has a very good solution, a legislative solution, to the ills that he has adequately stated.

So I do not disagree with the pronouncements and description of the problem. I do disagree with the legislative solution. So I have to take exception to the approach by the Senator from North Carolina, because it is a very difficult issue.

I have given it a great deal of thought, and I believe it is important that it is being discussed. A lot of people would just as soon not discuss it. Even a lot of people within this body would just as soon not discuss it.

Last year, we heard it very eloquently stated by Bill Bennett, our former Secretary of Education, in his raising the concern that the cost to the society of moral decline since the 1960's has been very devastating. He published, as you recall, what he referred to as the "index of leading cultural indicators," a compilation which attempted to demonstrate a data base

analysis of cultural issues. It was a statistical portrait from 1960 to the present of the moral social behavior conditions of our modern American society.

It was in the Wall Street Journal that he wrote about quantifying America's decline. He cited some of the statistics from the index. While social spending in the United States since 1960 increased dramatically, the social indicators during the same period showed overwhelming declines. For example, Dr. Bennett says that in the last 30 years, while there has been more than a fivefold increase in social spending at all levels of government, there has been a 650-percent increase in violent crime, a 419-percent increase in illegitimate births, a quadrupling of divorce rates, a tripling of the percentage of children living in single-parent homes, more than a 200-percent increase in the teenage suicide rate, and a drop of almost 80 points in the SAT scores.

He said that perhaps more than anything else, America's cultural decline is evidence of a shift in the public's attitude and beliefs. Our society now places less value than before on what we owe to others as a matter of moral obligation, less value on sacrifice as a moral good, less value on social conformity and respectability, and less value on correctness and restraint in matters of physical pleasure and sexuality.

He also stated the good news is that what has been self-inflicted can be self-corrected. So I think Bill Bennett, in stating a crisis situation in American society, has not stated that there is no hope. In fact, very correctly he believes that it is within us as a society and individuals within our society to correct this situation.

The Senator from North Carolina has described a situation within the welfare system that contributes somewhat to this that needs to be dealt with. The only question is, should it be dealt with at the State level through the State legislatures, or should it be dealt with by those of us in Congress?

I say that the States have proven in many areas of welfare reform that they are better equipped to deal with those issues than we are.

So in the devaluation of traditional views, we have seen a reciprocal increase in self-destructive behavior. This self-destructive behavior in turn manifests itself in our communities, in our families, and it leads to an increase in destructive forces for our entire Nation. And it has costs with it.

We are talking about societal costs of illicit sexual relations. You know them better than I do: The sexually transmitted diseases; teen pregnancies that cut short bright futures; abortion; broken hearts; broken homes, not to mention the financial costs to individuals, families, communities and, again, our entire Nation.

William Raspberry addressed this concern in a Washington Post article. He remarked that:

> To a striking degree, the problems we worry most about—teenage pregnancy, fatherless households, AIDS and other sexually transmitted diseases, dropping out of school, infant mortality, even aspects of poverty—are the consequences of inappropriate sexual behavior.

He goes on to say:

> The hip response is to redouble AIDS research, establish birth control clinics in nurseries and schools, distribute condoms and clean needles, in general to teach kids what to do in the back seat of a car.

He also goes on to say:

> It is all very well to try to save people from disastrous consequences of their behavior, but,

he emphasizes,

> doesn't it make sense to try to discourage some of the behavior in the first place? A part of the message must be directed not just at the awful consequences but at the deadly behavior itself.

I sense what the Senator from North Carolina is saying is that at the very least, we should not give financial incentive to this sort of behavior through the welfare system which comes from the taxpayers of America. The fact is, the sexual liberation movement of the sixties demonstrated itself to be a socially and morally bankrupt one. The once-accepted practices are perceived by the mainstream as an abject failure.

We would not have this welfare reform issue before us if that was not true. It is time that our social institutions and our Nation as a whole return to the teachings of the moral obligations: Self-sacrifice, social conformity, and abstinence. They are truly virtues to be upheld, and society appreciates them.

Those who teach otherwise will have an increasingly hard sell to a growingly skeptical mainstream, and that is true or we would not even have this welfare issue before us.

Here is some of the specific research on the consequences of being born out of wedlock or living in a single-parent home. These children have specific health risks, substantially higher risks of being born at very low or moderately low birth rates. There are specific educational risks as well. They are more likely to experience low verbal cognitive attainment. They are three times more likely to fail and repeat a year in grade school than are children from intact, two-parent homes. They are almost four times more likely to be expelled or suspended from school. Children of teenage single parents have lower educational aspirations and a greater likelihood of becoming teenage parents themselves.

As I read this research, as we point to what is wrong—and you have all heard it—it is very obvious why welfare reform is an issue. Not only are there health risks and educational risks, but there are also social risks. And welfare reform is seen as a way of reducing those social risks. Being born out of wedlock significantly reduces the chances of a child growing up to have an intact marriage. These same children are three times more likely to be on welfare when they grow up.

They are also more likely to be poor. While only 9 percent of the married-couple families with children under 18 have income below the poverty level, 46 percent of the female-headed households with children under 18 have income below the national poverty level. That is the feminization of poverty. In single-parent families, where they have had a divorce, the woman is most apt to immediately be into poverty. The husband is not as likely to be. And then these risks are out there for the children as well. But there is as much risk for the young mother as well. The younger the mother, the less likely she is to finish high school. If she has children before finishing high school, she is more likely to receive welfare assistance for a longer period of time.

In fact, the Centers for Disease Control has estimated that between 1985 and 1990, the public cost of births to teenage mothers under the Aid to Families with Dependent Children Program, the Food Stamp Program, and the Medicaid Program was $120 billion.

Apart from the obvious consequences on the children, who have greater health problems and lower educational aspirations, and the cost to the young mother, who is less likely to gain independence, we have to look at the consequences for society as well. That is what I believe the Senator from North Carolina is looking at.

We have seen a dramatic rise in crime. Apart from reforming welfare, dealing with crime seems to be the highest thing on the priority list of our constituents.

According to the Bureau of Census, of those youth held for criminal offenses within the State juvenile justice system, only 29.8 percent lived primarily in a home with both parents. In contrast to these incarcerated youth, 73.9 percent of the 62.8 million children in the Nation's resident population were living with both parents.

So, Mr. President, in the face of all this evidence, is it not ridiculous to deny the need to return to sanity? The breakdown of the family and its results for our society are indeed overwhelming. The only issue becomes answering the question: Who should call for the return to sanity? The Senator from North Carolina says it should be the Congress of the United States and the Federal Government. I say it should be the State's responsibility—not in isolation and not without a track record of their success, because we have seen the Federal Government fail at welfare reform, as we have seen the number of people on welfare go up 3.1 million since the last welfare reform bill was passed 7 years ago.

In the meantime, we have seen State after State—albeit having to suffer some sort of waiver from the Federal Government to get what they want—still succeed at moving people from welfare to work, and save the taxpayers' money. I guess that gives me the confidence that I would expect my State of Iowa and I would also expect the State of North Carolina to solve the teenage pregnancy problem, the problem of illegitimacy. And if one of the ways they want to do that is discouraging it by denying additional cash benefits to mothers under age 18, then they ought to have the right to do it. If they see some other way of doing it, then that other approach ought to be tolerated by those of us in Washington, DC, who ought to readily admit a track record that proves we do not have an answer to every social problem by an enactment of Congress and an appropriation of the Congress of the United States.

So I agree that out-of-wedlock births, and all of its consequences, are destroying our society. Where we disagree is that I believe we should allow States to address the crisis. Personally, I believe the States should try many creative approaches to try to address this crisis in our Nation. I think States should look at the reform in the no-fault divorce laws that passed in the fifties and sixties. Unfortunately, I have to admit to my colleagues, as well as to my constituents in Iowa, that I made a great big mistake back in the late sixties when I supported no-fault divorce as a member of the State legislature. I hope the State legislatures will look at changing those laws to make the decision to marry a more serious one and the decision to divorce a more circumspect one.

I also think the States should look at changes in their approach to dealing with the problems of out-of-wedlock births. They need to experiment with new ideas to see how to discourage people from having children before they are ready to care for them, and they need to see what works with teenagers, what works with those who are older. The illegitimacy problem is not just one for teenage mothers. We hear a lot about discouraging young people from getting pregnant. But States also need to experiment with how to discourage young men from fathering children before they are ready to provide for them.

Changing laws alone will not change behavior, but it is a first step. In order to address these kinds of social problems, every institution in society must take this problem as a very personal problem. That means every church, every synagogue, every mosque, must work together with their congregations to bring their message of morality and purity to the people in their area. Every community group needs to urge abstinence as the only sure way to avoid disease and pregnancy. This is truly a crisis requiring immediate action at every level.

So I join my colleagues in raising the banner of awareness. However, I cannot join my colleague from North Carolina in mandating a specific requirement. I believe the States will address this issue and will address it as successfully in this area as they have on a lot of other welfare reform issues that are before us.

I yield the floor.

Mr. MOYNIHAN. Mr. President, I rise to speak to the amendment of my friend from North Carolina and speak in opposition to a well-intended but, it seems to me, very badly conceived approach to a problem which we all acknowledge.

Earlier today, I had the occasion to congratulate the Senators from Indiana and Missouri for their hugely insightful and able remarks. I refer particularly to those of the Senator from Indiana on the precedent of what do we do about civil society and about the breakup in those primal relationships that seem to be so essential to any society, and have always been assumed to be, but which seem to be disappearing in ours.

And not only in ours, Mr. President. I remark that in the current issue of the Economist, the subject is "The Disappearing Family." But simply to read a passage, it says:

> A father is not just a cash cow. Daniel Patrick Moynihan, a Democratic Senator who has taken these problems seriously for 30 years, says that a community without fathers asks for and gets chaos. As an American, he has been able to see that chaos for some time, but it is now visible elsewhere. There are neighborhoods in Britain where more than two-thirds of homes with children lack fathers. Some of Paris' wilder banlieues are not that different.

The Economist article contains a bar chart which is entitled "Fewer Golden Rings, Births to Unmarried Mothers as a Percentage of Total," which shows the extraordinary growth from 1960 in Iceland, Sweden, Denmark, France, Britain, the United States, Canada, Australia, Germany, Holland, Spain, and Switzerland. There was no growth at all in Japan.

There is a descending order of the present ratios, from Iceland, at about 55 percent. Iceland, Sweden, Denmark, France, Britain, the United States—with Britain and France ahead of the United States—and Canada, just after the United States. Australia, Germany, Holland—smaller ratios in those areas.

We are not alone in this, nor have we ignored the subject. It was perhaps not widely noticed, but a year ago in Public Law 103-322, signed by the President on September 13, 1994, an anticrime measure, the now majority leader Senator DOLE and I sponsored a sense-of-the-Senate regarding a study of out-of-wedlock births.

It said simply:

> It is the sense of the Senate that—(1) the Secretary of Health and Human Services, in consultation with the National Center for Health Statistics, should prepare an analysis of the causes of the increase in out-of-wedlock births, and determine whether there is any historical precedent for such increase, as well as any equivalent among foreign nations, and (2) the Secretary of Health and Human Services should report to Congress within 12 months after the date of the enactment of this Act on the Secretary's analysis of the out-of-wedlock problem and its causes, as well as possible remedial measures that could be taken.

I can report, sir, that report is ready now and will be released shortly. It is a first effort, and I hope it will not be the last.

At length, the U.S. Government—the U.S. Congress, this Senate, the Presidency—is finally beginning to acknowledge this problem. I have mentioned before President Bush's commencement address at Notre Dame in 1992, and President Clinton's 1994 State of the Union address, where the subject is raised. But it cannot be too emphatically stated that we know very little of the ideology, origins, the modes by which it takes place.

I have here a draft of the new report by the Department of Health and Human Services. You can see, Mr. President, and I hope the Secretary of Health and Human Services might be listening, "The sense of the Senate asks for a study of out-of-wedlock births."

The report does, indeed, say "out of wedlock." But when it gets into the text, it refers to "nonmarital," thus defining down the problem; from the term "illegitimacy" to "out of wedlock" to "nonmarital," to—I do not know what the next euphemism will be.

But they do make the simple point that changes in behavior, some of these changes in reproductive biology, have led to an extraordinary number of out-of-wedlock births. In 1992, about 1,250,000—1¼ million illegitimate births. About 1 in 10 unmarried women age 15 to 44 become pregnant each year—about 1 in 10.

I have just offered to the Senate a datum which should shock anyone. One in ten unmarried women become pregnant each year. The vast majority of these pregnancies are unintended and, in 1991, nearly half ended in induced abortion—obviously a condition we should not ever desire nor should we allow to continue if we can change it.

But again, I have to say that there does not now exist any understanding of how we might do this. I welcome the onset of inquiry. This is not beyond the reach of social science, anthropology, biology. But it is only just beginning to be recognized in our country as in other countries. The Economist reports the neighborhoods in Britain are not unlike those in, say Washington, DC, and in Paris. It is a new social condition, a new social issue.

But earlier I cited James Q. Wilson, in a splendid essay, a lecture which he gave, the Walter Wriston Lecture, at the Manhattan Institute in New York City, November 17, 1994, entitled, "From Welfare Reform To Character Development." I think that is what the Senator from North Carolina is talking about, from welfare reform to character development. And he should be. He is to be congratulated for doing it.

But Wilson says, about the subject—how do you break the cycle of dependency?

Nobody knows how to do this on a large scale. The debate that has begun about welfare reform is in large measure based on untested assumptions, ideological posturing, and perverse priorities. We are told by some that worker training and job placement will reduce the welfare rolls, but we know that worker training and job placement have so far had at best very modest effects on welfare rolls.

I say that standing here with a button from the JOBS program in Riverside, CA, that says, "Life Works If You Work." But we know the effects of these programs are modest.

Wilson goes on:

And few advocates of worker training tell us what happens to children of mothers who are induced or compelled to work other than to assure us that somebody will supply day care. We are told by others that a mandatory work requirement, whether or not it leads to more mothers working, will end the cycle of dependency. We don't know that it will.

That is James Q. Wilson. "We don't know that." I continue:

Moreover, it is fathers whose behavior we most want to change, and nobody has explained how cutting off welfare to mothers will make biological fathers act like real fathers. We are told that ending AFDC will reduce illegitimacy, but we don't know that; * * *

I repeat James Q. Wilson, "We are told that ending AFDC will reduce illegitimacy but we don't know that."

* * * it is, at best, an informed guess. Some people produced illegitimate children in large numbers long before welfare existed and others in similar circumstances now produce none even though welfare has become quite generous.

I plead to the Senate, first, do no harm.

Catholic Charities addressed this plea to us earlier this day, asking that there not be a family cap.

The first principle in welfare reform must be do no harm, the ancient adage of Hippocrates in his essay "Epidemics." It is not the Hippocratic oath, and we are dealing with an epidemic here. We must heed that ancient Greek: First, do no harm.

I can say that there is one major research project in operation right now—has been for more than 4 years—it involves very intensive counseling and education offered to teens to prevent teen pregnancy.

I would prefer not to give the actual name of the operation because you do not want to interfere with it by stating ahead of time what its findings are, what is happening. But I can tell you that after 4 years the control group, there is no difference in outcome between the experimental group which was given the intensive counseling and training and the control group which received no such special services.

This still baffles us. It is still beyond our reach. Not beyond our grasp. I will use that image. It is beyond our reach, not beyond our grasp. We are trying. We are beginning to learn. But at this point, to deny benefits to children who have no means of controlling the way they come into the world or the circumstances in which they find themselves, would be an act of—irresponsible policy? I hesitate to use that word. It would be an act of—cruelty? I hesitate to use that word as well. Not intended; the unintended consequences of social policy are almost invariably the larger and more important ones.

So I hope, with expression of great appreciation to the Senator who has raised the subject, thanking him for raising it, I hope we will not take this radical step into the unknown at just the moment when we are beginning to engage the Nation's analytic and social capacities with the issue.

I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, let me begin by responding to our dear and learned colleague from New York, who undoubtedly has spent more time and energy studying this problem than any other Member of the U.S. Senate. I would like to begin with his application of the Hippocratic oath to welfare reform.

Mr. MOYNIHAN. Hippocrates on "Epidemics."

Mr. GRAMM. Let me say this. I think we are preaching the oath too late. We now have a system where 40 million Americans are receiving some means-tested program broadly defined as welfare. We have a program that does a great deal of harm and that, if left in place, in my opinion will do far greater harm than it has done.

In the mid-1960's, when the current approach to this problem really took hold with the Great Society, we were looking at something less than 10 percent of all babies born in America being born out of wedlock. Today, one out of every three babies born in America is born out of wedlock. So I think, quite frankly, that while the advice "first do no harm" is good advice when you do not know what you are doing, the point is we have in place a program that does a great deal of harm. And probably no part of that program is more destructive than the part of the program that provides cash bonuses to people who have children on welfare or children who qualify for welfare.

Our dear colleague, Senator DOMENICI, in the closing remarks he made in debate on an earlier amendment, said if you believe that denying people more and more money to have more and more children on welfare is going to reduce the birth rate of people on welfare, you believe in the tooth fairy.

Mr. President, let me say that no human behavior in the history of this planet is better documented than the principle that if you pay people to do something they are going to do it, and they are going to do more of it than if you did not pay them. If we know anything about the behavior of the human being, it is that human behavior is clearly affected by the environment in which the human operates, by the set of rewards and penalties that exist. And clearly, the rewards in the current welfare system are all bad from the point of view of producing behavior that we do not want. Let me just give you a few of them.

Any 16-year-old girl in our bigger cities can escape from her mother, can get cash and voucher benefits equal to $14,000 of earnings a year, can get housing subsidies, food stamps, and AFDC by doing one thing—by getting pregnant.

Does anybody believe that giving that child $14,000 worth of free benefits in return for getting pregnant is not creating behavior that would not exist in the absence of that money? Does anybody really believe that, if we did not give people more and more money to have more and more children on welfare, that people would be having the number of children that they are having? I do not believe it.

I was having a discussion with my mother the other day on this subject, which I think is always good advice to someone who is engaged in public policy today. My mother's thesis on this subject was basically that the problem with welfare is that people today, young people, are not as proud as people were in her generation. I responded by trying to explain to my mother that I am not positive that is the case. I think the world faced by young people today is very different than the world my 82-year-old mother faced when she was growing up. I tried to explain to my mother that if we had the kind of welfare benefits we have today when she had two little children and was working in a cotton mill that she would have taken welfare. My mother said, "I would not have taken it. I would starve to death before I would take it."

I said, "Well, mother. Everybody you would have known would have been taking it. There would have been no stigma in taking it. People would have made fun of you for not taking it."

To which my mother responded, "I would not take it, and if you ever say I would take it, I will go on television and denounce it."

My mother is tough. Maybe she would not have taken it. But the point

is that no logical person can doubt that the availability of these cash incentives to have babies, to have babies out of wedlock, is not impacting behavior. Am I claiming that it is the only incentive that is there? Am I claiming that by eliminating these cash payments that we would eliminate illegitimacy? No. But I do not think any rational person can argue that we would not have less of it if we did stop paying people for acting irresponsible.

We had an earlier amendment that was adopted which killed the provision in this bill that I thought was very important. We had spent months working out a compromise that said we are not going to give people on welfare more and more money to have more and more children. I thought it was an important provision. Senator DOMENICI earlier offered an amendment which killed that provision, and basically preserved the status quo, a status quo where now one-third of all the children born in the country are born out of wedlock.

I do not have any doubt based on that vote that Senator FAIRCLOTH's amendment is not going to be adopted. But I believe that this is a very important amendment.

So my purpose in the remaining moments is twofold: First of all, I want to say to our dear colleague from North Carolina that no Member of the Senate has had a more profound impact on welfare reform than the junior Senator from North Carolina, LAUCH FAIRCLOTH. Had it not been for his persistence and his leadership there would be no pay for performance provision in this bill and we would not have a mandatory work requirement where people who refuse to work and are able-bodied lose their check. Had it not been for his persistent leadership, we would still be, even under this bill, inviting people to come to America with their hand out to go on welfare rather than their sleeves being rolled up to go to work.

Thanks to his leadership and his commitment, we did have a provision in the bill until today that denied additional cash payments to people who have more and more children on welfare.

So I want to first thank him for his leadership. And I am convinced that ultimately we are going to reform welfare, and I share with Senator FAIRCLOTH the commitment that I do not want to just reform welfare because it costs $384 billion a year when you add up all the State and the Federal payments. I want to reform welfare because we are hurting the very people we are trying to help.

The great paradox is that people who really oppose welfare reform, as the President does—and, despite all of his rhetoric, one thing is very, very clear; that is, Bill Clinton wants to preserve welfare as we know it. But one of the things that it is clear to me is that we have to redo this system because we are hurting the very people that we are trying to help. Our programs have driven fathers out of the household. They have made mothers dependent. They have denied people access to the American dream. They have changed people's behavior. Our social safety net has turned into a hammock. And it has changed the way people behave. As they have turned more and more toward government to take care of them, they have turned less and less to develop self-reliance. They have turned less and less to their family and to their faith, and I have no doubt that their life has been diminished.

Those who are for dramatic reform in welfare stand on the high ground morally in this debate. Those who defend the status quo, in my opinion, are defending a system that may serve some political interest. But it does not serve the interest of the people in this country who are poor because it is a system that keeps them poor, it is a system that expands their numbers, it is a system that diminishes their lives, and it is a system that diminishes our great country. And I want to change it.

The final point I want to make is this is a modest amendment that the Senator from North Carolina has proposed. What his amendment says is simply this: No Federal funds for cash welfare aid to unmarried mothers under the age of 18 with a State opt-out provision. What does that mean?

What Senator FAIRCLOTH is saying is that, if his amendment is adopted, if a child 16 years old is having a baby or has had a baby, nothing in his amendment would prevent the State from giving her assistance through her own mother, nothing in this amendment would prohibit giving her assistance under adult supervision, and nothing in this amendment would prevent giving her food or shelter or clothing. But what the amendment would not do is to create a cash incentive for people to have babies on welfare.

That is what the amendment does. In addition, if a State does not want to abide by the Faircloth amendment, and it wants to provide cash, the State legislature must pass a bill and the Governor of the State must sign it taking themselves out of the program.

A lot of people oppose this because they know there are a lot of States where politicians might want to get out of the program but people do not want to vote to get out of the program.

So this preserves State option. It simply requires that affirmative action by the State to be exempt.

I want to repeat in closing that I am alarmed about a country, our country, where one out of every three babies in America is born out of wedlock. No great civilization has ever risen that was not built on strong families. No great civilization has ever survived the destruction of its families, and I fear we are not going to be the first. So I fully understand that this is an area where you could study it endlessly. And I generally agree with the Hippocratic principle: First, do not harm. But the point is we have already done harm. We have put in place a program that unless we change it is ultimately going to kill our Nation, and I wish to undo it. Given the harm that is being done by the current welfare system, it is time to venture some change.

Finally, I totally and absolutely reject the thesis that there is no demonstration that people do more of something if you give them money to do it. All of recorded history makes it very clear that if you pay somebody to do something, they are going to do more of it than if you do not pay them.

I just remind my colleagues that the first welfare reform measure in America was in Jamestown, and what happened is that Capt. John Smith had seen the colony break down as they had adopted a system, basically a socialistic system where people were given the fruits of society's labor based on an allocation rather than based on their effort. As far as I am aware, the first welfare reform principle in the history of America was when Capt. John Smith said those who do not work shall not eat.

I believe those kinds of reforms have an effect, and the incredible point that seems to be missed by so many is that these kinds of reforms are humane reforms. People cannot be happy when they are kept dependent. There is something wrong in a free society when people are not providing their own way. The only real happiness that comes, the only real fulfillment that comes is from individual achievement. And if we want to unleash the energy and the ability which is hidden in so many millions of Americans who are trapped on this welfare system and unleash that talent and ability to serve them and to serve the country, we have got to reform this welfare system, and I feel very strongly that this is a very important amendment.

A concluding point. I am very disappointed about the adoption of the Domenici amendment. It undoes a delicate bill that we had put together. I want to say to my colleagues, assuming that we do not mandate some new benefit which would be totally unacceptable and induce me to vote against this bill, I plan to vote for this bill on final passage. I intend to vote to take it to conference with the House.

However, when we come back to the Senate with a bill, I am not going to vote for a welfare reform bill that does not deal with illegitimacy. We cannot deal with the welfare problem we face, we cannot change this destructive system unless we deal with illegitimacy. And so I am committed to the principle that when this bill comes back from conference, we have provisions which

end cash incentives to people to have more and more children on welfare. I think that is essential.

I wish to congratulate our colleague from North Carolina for his leadership on this amendment and on this bill. I am very proud to support it. I do not have any doubt about the fact that we are probably going to get about 25 votes, but I believe this is the right thing to do. And I am also confident that this century will not end before the Faircloth amendment will be the law of the land. I have no doubt about the fact that while Congress is perfectly content to let a rotten welfare system fester, the American people are not content. They are going to continue to demand that we make these changes. They are going to give us a Congress and a President who are committed to them, and when they do we are going to make these changes and some of us will remember Senator FAIRCLOTH's leadership. Hopefully he will be here providing it when the day comes that this amendment will be successful, and I am confident that it will.

I congratulate him on his leadership.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I thank the Chair.

Mr. President, I actually came to the floor to introduce an amendment that I will get to later on that I think will be important to colleagues on both sides of the aisle to make sure that in situations where you have violence within a home we give States the room to give single parents, usually women, an exemption from some of the requirements if that is the only alternative to make sure that they are safe. We do not want to force women back into very dangerous homes.

Mr. President, I was listening to my colleague from Texas, and I just have to respond. Let me come back to some unpleasant facts which I think are important because we ought to be making policy on as solid a basis of information as possible.

First, actually, I kind of did my own survey in Minnesota, which, I say to my colleagues, was really startling.

I try to go to a school about every 2½ weeks during the school year, and I was in an inner-city high school, South High in Minneapolis. And actually a young woman about age 16 asked me—I guess she heard about action in the House—she said to me, "Are you in favor of denying welfare benefits to a young woman or girl under 18 years of age if she has a child?"

I said, "Well, I will answer that question but first let me ask you and let me ask all of you who are here in this assembly"—there were about 300 or 400 students. I did not editorialize. In fact, I tried to actually stack it in the other direction. I said that many Representatives in the House of Representatives have said, look, when a youngster, a young woman knows that she can get on welfare and have welfare assistance, this is what encourages out-of-wedlock births. And people are very serious about dealing with this problem, as I think all of us are in this Chamber.

Then I said, "How many of you would agree?" No one.

Mr. President, we are talking all about these young people. Has anybody asked them about what the causes are?

The question is, why do children have children? But has anybody asked any of these young people? I do not think this amendment is connected to that reality at all.

Then I went to a suburban high school in White Bear Lake, and I asked the students the same question, expecting a very different response. Then I went to two other suburban communities. Then I went to about three other schools in small towns. Cross my heart and hope to die on the floor of the Senate, never more than about 5 percent of the student bodies, the assemblies, agreed. In fact, I found these students were kind of yelling at me, not out of anger but they were saying, "Are you people crazy? This is why you think young people are having children? This is why you think there are births out of wedlock? These are our friends. We know what goes on. Nobody is thinking about welfare. Nobody knows what it is. Nobody is thinking, 'Well, if I get pregnant, then I do not have to worry because I get AFDC and I can move out of my home'."

I heard all sorts of other reasons given that you might agree or disagree with. But I want to tell you, talk about a disconnect. The very people that we say we are concerned about, the very people in whose name we pass this legislation, allegedly for whose benefit we pass this legislation, say, "Are you crazy? This has nothing to do with this problem," which is a serious problem. That is my first point.

Please remember that. Now, maybe other Senators in here in the Chamber have gone out and met with lots of young people and have asked them. And if you have received a very different response, please tell me. But I have made it my business to spend a lot of time with a lot of young people, inner city, suburban, small town, rural, and that is not what they say. It does not make any sense to them at all.

Maybe we ought to listen to them. Maybe we ought to ask them. Maybe we ought to know more. That is my first point.

My second point—and I will do this briefly, I say to my colleague from New York—I am sorry the Senator from Texas has left the Chamber. I always feel uncomfortable, because you try to have debates—people give a speech and then they are gone, and you feel like you are attacking someone behind their back. I am not making an attack. I put it more in the form of questions.

The problem with the analysis about this—about all of these mothers who are having all of these children—and this is a terrible crisis in our country—is again—and I have heard the Senator from New York say this over and over again, the typical family is one woman, two children. Seventy-five percent of the AFDC families have two children, one parent. That is what it is. What are we doing perpetuating the same stereotype? In the last 20 years it has not gone up. We do not have larger families.

As to this economic rationality argument that it is the money that causes young people to have children, there is no evidence of that at all. As for this argument, I think—and I would have to defer to my learned colleague from New York—but I think that if you look around the country, State by State, I do not think there is any direct correlation between level of benefits and number of children. Is there? I mean in some States——

Mr. MOYNIHAN. If the Senator would yield for a question. I think he would find in the main the correlation is inverse. The lower the benefit, the higher the ratio.

Mr. WELLSTONE. Well, that is what I thought my colleague would say.

Mr. MOYNIHAN. Not absolute.

Mr. WELLSTONE. Right. Let us just say—let us just understand this, there is somewhat of an inverse relationship around the country between level of benefits and number of children per family. Those States which have the lower level of benefits tend to have the families with the larger number of children. Now, what does that do to the argument of my colleague from Texas about how it is the dollars that cause all of this? Well, he is not here. But you know, for the record, as we say.

Finally, Mr. President, as to this whole argument that—as I listened to my colleague conclude—that really what this debate is about is a difference between those who take the moral high ground and push through these changes, versus those who, I guess the flip side of the coin is those who do not take the moral high ground.

On that note, I just would like to suggest two final points. One, I said it once before on the floor, as I listen to some of my colleagues talk about welfare, I get the impression that they are trying to make the argument that welfare causes poverty, that food stamps cause people to not have enough money to purchase food. It is like they mix up the independent and dependent variables. It is like arguing Social Security causes people to get old.

People become eligible for welfare because they are poor. Or quite often you have two parents, and then there is a divorce and then the woman is on her

own with children, and she looks for some support for herself and her children. And 9 million or so of the 15 million are children.

So, frankly, this argument that this is the high moral ground—I think when all is said and done, ultimately what it amounts to is taking food out of the mouths of children. That is no high moral ground position.

I am sorry my colleague from Texas is not here. Maybe he will come back. This whole business of somehow the welfare programs cause the poverty is ridiculous—we expanded food stamps and we did not expand hunger. I said this before on the floor of the Senate, but let us be clear about our history. Richard Nixon, a Republican, established Federal standards for food stamps because in the mid and late 1960's there were the Hunger USA, CBS and Field Foundation studies and pictures of children with distended bellies and malnutrition and hunger in America.

And so we expanded the Food Stamp Program. And now we do not have the scurvy and now we do not have the rickets and now we do not have all the hunger and malnutrition. But somehow, according to my colleague from Texas, these programs have brought about all this damage to low-income people, to poor people, mainly, I am sorry to say, women and children.

It is really quite a preposterous argument.

Mr. President, there is a difference between reform and reverse reform. And it is absolutely a great idea to enable a mother or a father to be able to move from welfare to workfare, a good job, decent wage, affordable child care. That is not what this has been about. So I would not want to let my colleague get away with his argument about a high moral ground. I see no high moral ground in punishing children. I see no high moral ground in taking food out of the mouths of hungry children. I see no high moral ground in essentially targeting those people who are the most vulnerable, with the least amount of political clout and making them the scapegoats.

And you know what, by way of conclusion? The sad thing is that I sometimes think that part of this agenda is to essentially say to those people in our country who feel all the squeeze, middle-income people, working people, if we just bash the welfare mothers and do this and do that and make these cuts and those cuts, then the middle class will do well economically. There is no connection whatsoever.

My colleague from Texas—and I promise my other colleagues on the floor, this is my last point—keeps putting apples and oranges together. And I heard $170 billion or some figure like that being quoted as money spent on welfare. I do not know exactly what he is talking about. Is he talking about aid to families with dependent children? That is what we are debating. I guess he added food stamps. He probably had to add Medicaid to get there.

If he is talking about Medicaid, everybody understands that well over 60 percent of Medicaid is not welfare mothers, it is elderly people. Some are our parents and grandparents who at the end of their lives, because of catastrophic expenses, lost all their resources and now, because they are poor, they are eligible for Medicaid and nursing homes.

And God knows what else he lumped into this figure. So let us be accurate about this as we make these decisions.

I yield the floor.

Mr. BREAUX addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BREAUX. Mr. President, I listened to the argument for the amendment's adoption by the Senator from North Carolina.

I am sorry he is not here because I really did want to ask him questions on the amendment.

And at the risk of being a policy nerd, which I think I would hate to be called—I never want to have anyone use that term and apply it to me—however, I do have some questions in reading the amendment that I do not know how I am going to get an answer to unless the author is here or somebody who could respond to the author's intent.

As I read the amendment that was published in the RECORD by the Senator from North Carolina, it said, "A State may not use any part of the grant that they get to provide cash benefits for a child born out of wedlock to an individual who has not attained 18 years of age."

There is an exception to that prohibition, which is my question, "except that prohibition shall not apply to vouchers which are provided in lieu of cash benefits and which may be used only to pay for particular goods and services specified by the State and suitable for the care of the child that is involved."

I happen to think vouchers may be a good idea. But I do not know whether the author of the amendment is requiring vouchers or not requiring vouchers.

The bigger point that I would want to make in this argument is that, No. 1, the Senate has already spoken to this question. By a vote of, I think, 66–34, we adopted the Domenici amendment which addressed this question. And the Domenici amendment essentially said that a State may deny additional cash benefits for an additional child for a mother who has that additional child regardless of her age, whether she is 18 years old or 22 years old or what have you; that it would be a State decision to affirmatively deny additional assistance to that mother.

My whole concern about this attack on the question of illegitimacy is that they are missing the target. They are, in fact, using a sledgehammer approach, but they are using a sledgehammer to hit the wrong person.

You do not solve the problem of illegitimacy by penalizing the child. The child did not make a decision to be born. The child did not ask to be a child that is born into this world. Therefore, when you penalize the child, you are not penalizing the right person.

The reason why I think that the Work First proposal that we had put together made so much sense is that we said that the teen mother, or any mother who has a child, is going to have to be responsible for having that child. They are going to have to live in a family environment with their parent, if there is one, or they are going to have to live in an adult-supervised home to get adult supervision in carrying out their responsibilities. They are going to have to sign a contract to go to work. They are going to have to start looking for a job. They are going to have to start receiving training.

I suggest that is a far better way to address the question of illegitimacy, which is a rampant problem in this country. My State has the second-highest illegitimacy rate in the United States. Forty-some percent of the children born in Louisiana are illegitimate. That is something I think is a disaster already. It is not something waiting to happen.

The question is, How do we solve that problem? Do we penalize the child? Do we say to the mother, "There are not going to be any more funds to take care of the child"? Who does that hurt? It does not help the mother, it does not educate the mother, it does not train the mother, it does not teach the mother responsibility. It gives her less money, and less money for what? The child that did not ask to be born.

There are potential mothers, women who are pregnant, when faced with that decision take the easy way out and decide to have an abortion. That is why all the Catholic Conferences, which feel so strongly about this, have said very eloquently they oppose this type of sledgehammer approach, because many pregnant ladies faced with that choice will decide to have an abortion because they know there will not be enough money to take care of the child when it is born.

That is a very cruel proposition to a young potential mother faced with a pregnancy, many times in uncertain conditions, even if that child is wanted in the first place.

Therefore, I am very strongly opposed to any efforts in trying to attack the question of illegitimacy that goes after the child. Go after the mother. Find the father, because for every child that is born, there is a father somewhere, in many cases shirking their responsibility and running away from their responsibility.

So put provisions in the bill to go after the deadbeat father who is not recognizing his responsibility. Say to the mother having that child that "You are going to have to do something different. You are going to have to live in an adult-supervised home," or "You are going to have to live in your parents' home," or "You are going to have to sign a contract to go to work; you are going to have to enter into an agreement in order to get the training that you are going to be able to be employable."

Do everything you possibly can to the mother and the father who are responsible for the child, but heaven's sake, do not penalize the child who did not ask to be born. That is why I am so very concerned that we say there is going to be no more money for an additional child.

My goodness, we are hurting the child, not the mother, not the father who we may not even know where he is. We should be exercising greater authority to try and find the people responsible for the child and do things to them, for them, with them that educate them to be better parents.

I come from a State, as I said, that has the second-highest illegitimacy rate in the United States of America. I am not proud of that. I want to find a solution to that. I dare suggest this is not a solution. It is a sledgehammer approach, and we are using the sledgehammer to beat the child, and that is not right.

I am glad the Senator from North Carolina is here, because I kind of like the idea of vouchers, and we talked about vouchers. I guarantee you, there are some teenage mothers who, when they do get extra cash assistance, may not use that cash assistance for the benefit of the child. They may use that cash assistance in the most despicable way. They may use it to buy things which are not necessary. They may use it to feed an alcohol abuse problem or a drug problem, because we are giving them cash for that extra child. I recognize that, and I am a little concerned about that, but I want to make sure we protect the child.

The Senator in part of his amendment says that as an exception for vouchers to those mothers who have an additional child, that the vouchers would not be prohibited.

The question is, I guess, there is no requirement that a voucher be issued. In other words, if that mother has an additional child, maybe the extra amount that they would normally be entitled to would be $50. Would there be a requirement in the Senator's mind that the extra money be then given to the mother in a voucher that could only be used to buy things for that child? Or does his exception in the bill have nothing to do with the requirement of a voucher?

Given the choice—I want the Senator to respond if he can—but given the choice of saying to a mother that there is going to be no additional cash assistance and there is going to be no voucher either, I would prefer giving her the cash assistance in the hopes that because of the training and the requirements to live in an adult-supervised home or live with her parent or live with greater supervision, the money will, in fact, be used for the child. But if there is a requirement that they get a voucher to be used only for that child, I think that has some potential possibilities here.

So if anybody can respond to my question, my specific question is, does the Senator's amendment require that an additional child would receive at least a voucher in order to pay for the cost of having that additional child or not? Will the Senator comment on that?

Mr. FAIRCLOTH. Mr. President, in response to the Senator from Louisiana, yes, the State has the option to give a voucher, and it says very clearly here that in lieu of cash benefits, which may be used only to pay for particular goods and services specified by the State, suitable for the care of the child involved. So the State has the option to supply these vouchers for things that would be used especially for the needs of the child, not cutting those off.

Mr. BREAUX. I thank the Senator for that response. That is one of the questions I was trying to have answered. The problem I have is, under the Senator's amendment, a State—I certainly hope no State would ever do it—but under this amendment, it certainly could be possible, the State could say to that mother—more importantly, in my mind, to that child—that we are not going to give any additional assistance for your benefits, for your needs, nor are we going to give any vouchers for your needs to survive.

I think that is something we, as officials who are responsible for raising the money for welfare reform, asking taxpaying citizens throughout this country to pay their taxes to try and solve this problem, that we have a responsibility to see that those funds are used properly and appropriately.

One thing that I think is proper, appropriate and necessary is that we guarantee that the child is taken care of. I am concerned, in fact, I think now very clearly that under the Senator's amendment, that that is not guaranteed. The needs of the child will not be guaranteed either by a cash payment, which is very clear would be prohibited, or by the guarantee of a voucher for that child. I find that to be unacceptable.

I want to do—and I will say it again—everything we can to ensure that the parent who had that child is made to be responsible, is made to find a job, enter job training, sign a contract to go to work, live in an adult-supervised home, live with a parent, find the father somewhere, no matter where he may be or what he may be doing, and say, "You have a responsibility, and that is to the child."

It is unacceptable to me to say that we, as Federal officials, are going to use tax dollars to try and reform this system and yet not guarantee that the child will be taken care of. That is a major defect.

The Domenici amendment scares me in the sense that it clearly says that a State may deny any additional cash assistance to the child if a State so chooses to do so. I think that is less onerous than the amendment of the Senator from North Carolina.

So I hope that this amendment will be rejected.

I think that is a proper course.

AMENDMENT NO. 2592, AS MODIFIED

Mrs. BOXER. I have a number of unanimous-consent requests that I think would clear up the proceedings. First, I am going to ask unanimous consent that we return to the consideration of the Boxer amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mrs. BOXER. Second, I ask that the Senate proceed to my modified amendment, which I cleared with the majority leader and Members on the other side, which is already at the desk.

I ask that my amendment be so modified.

The PRESIDING OFFICER. The Senator has that right.

The amendment is so modified.

The amendment (No. 2592), as modified, is as follows:

On page 302, line 4, strike "and".

On page 302, line 5, strike the end period and insert "; and".

On page 302, between lines 5 and 6, insert:

(3) payments for foster care and adoption assistance under part E of title IV of the Social Security Act for a child who would, in the absence of this section, be eligible to have such payments made on the child's behalf under such part, but only if the foster or adoptive parent or parents of such child are not noncitizens described in subsection (a).

Mrs. BOXER. I ask that I may speak for not to exceed 3 minutes on my amendment and that, after that, that will conclude all debate and that a vote on the Boxer amendment would occur immediately following a vote on Senator FAIRCLOTH's amendment without any intervening action or debate between the two.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. BOXER. Mr. President, it has been a long time coming, this amendment, because we have had to work together on both sides of the aisle to make sure that everyone was comfortable with the amendment. I want to explain that modified amendment.

My colleagues, in the Dole bill there is a restriction on benefits to new legal immigrants for the first 5 years they

are in this country. In other words, they are completely legal, but the Dole bill says they can get no Federal means-tested benefits.

However, there are exemptions from these restrictions in the Dole bill on certain benefits, such as emergency medical care and immunizations.

The one exemption that is not in the Dole bill is an exemption for foster care and adoption assistance programs. What that really means, in plain English, Mr. President, is that if a legal immigrant child, a child who is here completely legally, is abused or neglected, and the court says that child must be protected, unless we do this fix that I have in this amendment, that child would not be eligible for the title IV-E foster care or adoption assistance program.

What we did on both sides of the aisle is work with the language to ensure that those children would be treated exactly like citizen children if they are in a situation where they are abused or neglected in that 5-year period.

It is important to note that Federal funding goes to the adopting families and the foster families under rules that govern that program and certification requirements that are set by the State.

But the fact is, if we do not pass the Boxer amendment, then kids who are brutalized in families may well continue to be brutalized because there is really not enough funds to help them get adopted or go into foster homes, or the burden could fall entirely on the State or the locality.

So I am very pleased that Senators from the other side worked with me on this, that their staffs worked with me on it most diligently, and that we have reached an agreement. I am sure that none of us would want to abandon a child who was brutalized because we made an oversight.

Mr. President, I am finished with my remarks. I hope we will pass this amendment with a strong bipartisan vote. I want to thank Senator MOYNIHAN of New York for helping me with this amendment and, again, the Senators on the other side, Senator NICKLES, and Senator SANTORUM, who helped me work out the details of this amendment.

I yield the time back and look forward to a very positive vote on this amendment immediately following the vote on the Faircloth amendment.

I yield the floor.

The PRESIDING OFFICER (Mr. GREGG). Under the previous order, the vote will be delayed.

VOTE ON AMENDMENT NO. 2603

The PRESIDING OFFICER. Is there further debate on the Faircloth amendment? If not, the question is on agreeing to the amendment.

The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER (Mr. THOMAS). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 24, nays 76, as follows:

[Rollcall Vote No. 419 Leg.]

YEAS—24

Abraham	Gramm	McCain
Ashcroft	Grams	McConnell
Brown	Helms	Nickles
Byrd	Hutchison	Santorum
Cochran	Inhofe	Shelby
Craig	Kempthorne	Smith
Faircloth	Kyl	Thompson
Frist	Lott	Thurmond

NAYS—76

Akaka	Feingold	Mack
Baucus	Feinstein	Mikulski
Bennett	Ford	Moseley-Braun
Biden	Glenn	Moynihan
Bingaman	Gorton	Murkowski
Bond	Graham	Murray
Boxer	Grassley	Nunn
Bradley	Gregg	Packwood
Breaux	Harkin	Pell
Bryan	Hatch	Pressler
Bumpers	Hatfield	Pryor
Burns	Heflin	Reid
Campbell	Hollings	Robb
Chafee	Inouye	Rockefeller
Coats	Jeffords	Roth
Cohen	Johnston	Sarbanes
Conrad	Kassebaum	Simon
Coverdell	Kennedy	Simpson
D'Amato	Kerrey	Snowe
Daschle	Kerry	Specter
DeWine	Kohl	Stevens
Dodd	Lautenberg	Thomas
Dole	Leahy	Warner
Domenici	Levin	Wellstone
Dorgan	Lieberman	
Exon	Lugar	

So the amendment (No. 2603) was rejected.

VOTE ON AMENDMENT NO. 2592, AS MODIFIED

The PRESIDING OFFICER. Under the previous order, the question occurs on amendment No. 2592, as modified.

Mr. FORD. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will come to order. The Senate will come to order.

The question is on agreeing to the Boxer amendment, as modified. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

The result was announced, yeas 100, nays 0, as follows:

[Rollcall Vote No. 420 Leg.]

YEAS—100

Abraham	Craig	Hatfield
Akaka	D'Amato	Heflin
Ashcroft	Daschle	Helms
Baucus	DeWine	Hollings
Bennett	Dodd	Hutchison
Biden	Dole	Inhofe
Bingaman	Domenici	Inouye
Bond	Dorgan	Jeffords
Boxer	Exon	Johnston
Bradley	Faircloth	Kassebaum
Breaux	Feingold	Kempthorne
Brown	Feinstein	Kennedy
Bryan	Ford	Kerrey
Bumpers	Frist	Kerry
Burns	Glenn	Kohl
Byrd	Gorton	Kyl
Campbell	Graham	Lautenberg
Chafee	Gramm	Leahy
Coats	Grams	Levin
Cochran	Grassley	Lieberman
Cohen	Gregg	Lott
Conrad	Harkin	Lugar
Coverdell	Hatch	Mack
McCain	Pressler	Smith
McConnell	Pryor	Snowe
Mikulski	Reid	Specter
Moseley-Braun	Robb	Stevens
Moynihan	Rockefeller	Thomas
Murkowski	Roth	Thompson
Murray	Santorum	Thurmond
Nickles	Sarbanes	Warner
Nunn	Shelby	Wellstone
Packwood	Simon	
Pell	Simpson	

So, the amendment (No. 2592), as modified, was agreed to.

Mr. GRASSLEY. I move to reconsider the vote.

Mrs. BOXER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER (Mr. THOMPSON). The Senator from Iowa.

Mr. GRASSLEY. I take the floor to ask unanimous consent for our majority leader.

I ask unanimous consent that the cloture vote scheduled to occur this evening be postponed to occur at any time to be determined by the majority leader after consultation with the Democratic leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, under our order of doing business here—we just finished a Democratic amendment; the Boxer amendment—it would now be our desire to go to the amendment by the Senator from Maine.

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

AMENDMENT NO. 2586

Mr. COHEN. Mr. President, I ask unanimous consent to proceed to amendment No. 2586.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ASHCROFT. Mr. President, reserving the right to object. A point of order. The amendment of the Senator from Maine seeks to strike the proposal in two separate places, and, as a result, I believe it is out of order.

The PRESIDING OFFICER. The amendment has yet to be called up. The point of order would not lie until the amendment is called up.

The clerk will report.

The legislative clerk read as follows:

The Senator from Maine [Mr. COHEN] proposes an amendment numbered 2586. In section 102(c) of the amendment, insert "so long as the programs are implemented consistent with the Establishment Clause of the United States Constitution" after "subsection (a)(2)."

In section 102(d)(2) of the amendment, strike subparagraph (B), and redesignate subparagraph (C) as subparagraph (B).

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. COHEN. Mr. President, as was just read by the clerk, there are two portions to this amendment.

The first part of the amendment would provide that religious organizations may participate in our welfare

program, which we want them to do, so long as they comply with the establishment clause of the Constitution. We want to encourage churches and other religious organizations to become actively involved in our welfare process. We want them to do so, however, consistent with the first amendment.

That amendment requires the Government to navigate a very narrow channel when it provides funding to religious organizations. On the one hand, we have the free exercise clause, which prohibits a government from being overtly hostile to religious institutions or organizations. Then on the other hand we have the establishment clause, which limits the extent to which the Government can actually sponsor religious activities.

The intersection of these two separate constitutional commands, I think, is implicated by section 102 of the welfare reform bill, which allows the States to contract with religious organizations to provide welfare services. This provision protects religious organizations from religious-based discrimination. And I think the authors ought to be commended. We, as I said before, want to encourage religious organizations to participate in welfare programs.

But, in my judgment, the bill in its current form does too little to restrain religious organizations from using Federal funds to promote a religious message. My amendment would, I believe, remedy this defect. It would ensure that States have the flexibility to implement welfare programs in a manner consistent with the religion clauses of the first amendment so we neither prohibit nor promote. And that is the balance that has to be struck.

The first part of this amendment simply says that we want to encourage the States to contract with religious institutions or organizations to provide welfare services, but we want to do so consistent with the establishment clause. Now, I think there would be very little debate, indeed any division, with respect to this particular language.

The second part of the amendment—and Mr. President, I will ask for a division of the amendment before the point of order is raised. I ask my amendment be divided into two parts.

The PRESIDING OFFICER. The Senator has a right to have the amendment divided. It is divided.

Mr. COHEN. Mr. President, the second part of the amendment is intended to make it easier for the States to comply with its constitutional duties. The bill currently prohibits the States from requiring religious organizations to establish separate corporate entities to administer welfare programs. My amendment would strike the Federal mandate.

Mr. President, under the bill as drafted, there is a prohibition under part 102(d)(2). It says that neither the Federal Government nor a State shall require a religious organization (A) to alter its internal government—we certainly do not want that—or (B) to form a separate nonprofit corporation to receive and administer the assistance funded under a program described in this subsection solely on the basis that it is a religious organization.

Essentially what is done by the bill language is to impose a Federal mandate upon the States saying neither the Federal Government nor any State can, in fact, require a religious organization to form a separate nonprofit corporation in order to receive funds under this act.

Now, Mr. President, over the years the Supreme Court has had to pass upon a variety of cases and they must be examined on an individual basis. In some circumstances, the courts have ruled that the religious organization administering Federal funds is so—the words they use are—"permeated with a sectarian influence" that their receipt of Government funding violates the first amendment.

What I want to do is to encourage religious organizations to become involved in our welfare system. But if we leave the language in the bill, it is going to actually have the reverse effect. It is going to discourage churches from getting contracts to help in our welfare system because the State is going to be precluded from asking the religious organizations to set up a separate, nonprofit corporation to receive the money and administer the programs outside an atmosphere that is permeated with religious overtones.

If the bill stands as currently written, it is going to have just the opposite effect its authors desire. States are not going to want to walk into a lawsuit by the ACLU or any other group that will challenge the program as being violative of the first amendment. So the whole purpose in our trying to encourage religious organizations to participate in welfare programs is going to be defeated. The threat of a lawsuit will discourage States from including religious organizations in their welfare programs.

So the purpose that I have in mind is to strike part (B), which would prohibit the Federal Government or the State from requiring a religious organization to set up a separate nonprofit corporation.

It may not be necessary for a religious organization to set up a separate entity in each and every occasion. The State might decide that this particular religious organization is structured in such a way that it is not permeated with sectarian overtones, as such. A State may decide "we do not have to require a nonprofit corporation here." But the bill says, under no circumstances can the Federal Government or any State require that one be set up.

So I suggest to my colleagues that we are, in fact, engaged in a self-defeating process. We are going to encourage churches and other religious organizations to become involved in the welfare system, but we are going to use language which will, in fact, serve as a disincentive for States to contract with them.

Mr. President, I hope, following the debate, that we will have an opportunity to vote seriatim; first on part 1, on which I think there should be no disagreement, and then on part 2 of the amendment, which would strike the Federal mandate that prohibits any State from choosing to require a religious organization in receipt of Federal funds to form a separate nonprofit corporation.

I think that it is in the best interest of those who want to encourage religious institutions and organizations to become involved to agree to the amendment. Obviously, there is some disagreement on that issue.

I yield the floor at this time.

Mr. CHAFEE. I wonder if the Senator will yield for a question.

Mr. COHEN. I yield.

Mr. CHAFEE. Under the proposal of the distinguished Senator from Maine, if in our State we were nervous about the constitutionality of dealing with the church directly without this religious corporation, then under the Senator's amendment, the State could ensure itself it was on safe ground by requiring that there be such a corporation, and then when the State dealt with it, they would know that they were absolutely safe from lawsuits and all the problems that possibly could arise.

Mr. COHEN. The Senator is correct. What my amendment would do would be to allow the State to decide, in looking at a particular organization—they look at the circumstances, they look at the environment, they look at the entire structure—to say, "We are satisfied that there is no need to set up a separate nonprofit corporation to administer these funds and, therefore, we are not making that requirement for this particular organization."

On the other hand, they may see an organization is so structured that it is, in fact, permeated with sectarianism, as such, and the language of the Supreme Court rulings require that a separate nonprofit corporation be established before the organization can receive Federal funds.

If we do not strike this particular section, it seems to me what the State is going to do is to protect itself, to not deal with that particular organization and, therefore, we will not achieve the very goal we are trying to do: to get more churches and religious institutions involved in our welfare system.

I suggest to my colleague that if we leave that language as it is currently written, it will be very self-defeating

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and the State will be reluctant to engage in contracting out with religious organizations.

Mr. CHAFEE. Just one more question of the Senator. It seems to me what the Senator is proposing is giving the States flexibility; the State does not have to require it but could.

Mr. COHEN. It could.

Mr. CHAFEE. So, therefore, if the whole goal of this bill, often reiterated, is greater flexibility to the States, that this is what the Senator's amendment does. And if the State does not choose to require a nonprofit corporation, then that is the State's business.

Mr. COHEN. The Senator is entirely correct. Let me quote briefly from the case Bowen versus Kendrick, decided in 1988. We have Chief Justice Rehnquist, and Justices Kennedy, Scalia, White and O'Connor in a 5 to 4 decision. The language is:

> We have always been careful to ensure that direct Government aid to religiously affiliated institutions does not have the primary effect of advancing religion. One way in which direct Government aid might have that effect is if aid flows to institutions that are "pervasively sectarian."
>
> We have invalidated an aid program on the grounds that there was a "substantial" risk that the aid to these religious institutions would, knowingly or unknowingly, result in religious indoctrination.

The Court also noted that whether an organization has "explicit corporate ties to a particular religious faith and by-laws or policies that prohibit any deviation from religious doctrine" is a "factor relevant to the determination of whether an institution is 'pervasively sectarian.'"

So the Court is saying that it is going to look at the circumstances individually and make a determination. If you bar a State from requiring a separate corporate entity to be formed, what you are doing is sending forth a very chilling message: "If you undertake to contract out with a church or religious organization under these circumstances, you are going to invite a constitutional challenge." Therefore, I would imagine the Governor of a State would say, "Let's just not contract out with this particular religious organization. We'll avoid the problem. We don't need any more lawsuits. We don't need to be in the Supreme Court."

I say to my friend, the best way we ensure to get the churches and religious organizations into our welfare system is to strike the language that would mandate that no State could ever require, under any circumstances, the formation of a separate nonprofit corporation.

Mr. CHAFEE. I was interested in that Supreme Court case the Senator quoted. Was that Judge Scalia who joined in that opinion?

Mr. COHEN. Judge Scalia did join in the opinion. It was written by Chief Justice Rehnquist and joined by Justice Kennedy, Justice Scalia, Justice White and Justice O'Connor.

Mr. CHAFEE. I do not think Justice Scalia is looked upon as a dangerous liberal on that Court.

Mr. COHEN. If I could add one other factor. We have Rosenberger versus University of Virginia, a case decided just last spring. Justice O'Connor, who cast the fifth and deciding vote, wrote a separate concurrence. Here is some straightforward language from her opinion:

> There exists an axiom in the history and precedent of the Establishment Clause, public funds may not be used to endorse a religious message.

That is what the Court is looking for, whether public funds are being used to endorse a religious message. If a State finds that a religious organization is not structured in such a fashion, that it is not, in fact, promoting religion either directly or indirectly, then there is not a problem. But if a State is persuaded that an organization is so permeated with a sectarian influence, then it is going to require that a separate corporation handle the funds. It seems to me that we ought to give the States that flexibility, and if you do not give them that flexibility, it means they are not going to contract out with religious organizations.

Mr. CHAFEE. I could well see the situation where in our State, for example, the attorney general might advise the Governor, "Don't get into these kind of contracts."

As it exists now, you have no option but to deal with the church because the bill, as I understand it is written, forbids these nonprofit corporations from being set up.

Mr. COHEN. It prohibits either the Federal Government or the State from requiring a religious organization to form a separate nonprofit corporation to receive and administer the funds.

Mr. CHAFEE. So you could get a situation where the attorney general advises the Governor, "Don't make that kind of a deal because we are going to end up in court, so just forget it."

Mr. COHEN. That is right.

Mr. CHAFEE. The Senator's point is a good one. If we are trying to encourage the churches to come into this, use their facilities which they have available for day care and other forms of assistance, I think the Senator's amendment makes a lot of sense.

Mr. COHEN. I thank the Senator.

Mr. ASHCROFT. Will the Senator yield?

Mr. MOYNIHAN addressed the Chair.

Mr. MOYNIHAN. I am sorry. I wanted to speak. The Senator was on the floor.

Mr. COHEN. I yield the floor.

The PRESIDING OFFICER (Ms. SNOWE). The Senator from Missouri.

Mr. ASHCROFT. Madam President, I ask if the Senator from Maine will yield for a question?

Mr. COHEN. Yes.

Mr. ASHCROFT. I heard the Senator from Rhode Island ask him if a State were allowed to require the formation of a separate corporate entity, that would guarantee the State immunity from suit based on grounds of the infraction of the first amendment. Is that the Senator's position?

Mr. COHEN. I think what the Senator from Rhode Island was saying is, if the State, in looking at the situation, comes to the conclusion that requiring a separate nonprofit corporation will insulate the State against a lawsuit for violating the first amendment, that the State would be willing to contract with the religious organization to provide welfare services. My amendment gives the State flexibility to make that judgment rather than issuing a mandate. I know that the Senator from Missouri is concerned, and I appreciate his concern.

Mr. ASHCROFT. I want to know if the position of the Senator from Maine is that by virtue of requiring the formation of one or another, that you have a determination about whether or not something violates the first amendment.

Mr. COHEN. No. The answer to that directly is no.

Mr. ASHCROFT. So the Senator from Maine does not allege that this provision would provide any guarantee. I thought I misunderstood. I thought I heard the Senator from Maine tell the Senator from Rhode Island that such a guarantee would be in effect.

Mr. COHEN. If I said that, I misspoke, because there is no guarantee under any of these cases. You can always end up in court. I think what the Senator from Rhode Island was saying is that the likelihood of a challenge on the basis of the Establishment Clause is less likely by virtue of setting up such a corporation.

You minimize the challenge by creating a separate corporate entity that is not going to be so heavily influenced or permeated with sectarianism that the court is going to prohibit it from receiving government funding. But each case is decided on an individual basis. As we have discussed, it is not the language of the bill, but it is the structure of the organization, that is scrutinized on an individual basis to determine whether or not that organization is permeated with religious overtones.

Mr. ASHCROFT. Who makes that decision?

Mr. COHEN. Ultimately, only the court.

Mr. ASHCROFT. So it is up to the court to decide——

Mr. COHEN. Yes.

Mr. ASHCROFT. Whether an organization is so permeated with sectarian purpose as to be ineligible to participate in a governmental purpose.

Mr. COHEN. That is right.

Mr. ASHCROFT. It is the position of the Senator from Maine that that was decided in Bowen versus Kendrick, and a long line of cases?

Mr. COHEN. Exactly right.

Mr. ASHCROFT. I thank the Senator.

Mr. MOYNIHAN. Madam President, I rise in fervent support of the proposal by the Senator from Maine. It seems to me to anticipate difficulties which can be readily resolved if they are in fact anticipated. It is clear that the Senate understood what it was doing and indeed provided additional language to resolve issues that might arise.

I do not want, in any way, to complicate matters, but I would like to state that it is a matter of record—or so I believe—that the establishment clause has come into play in areas such as the ones we are dealing with only quite recently—only in the 20th century. I believe it was not until the 20th century that the Court held that public aid to religious schools was unconstitutional. Indeed, I think it may only be in the second half of the 20th century.

I note for the first—the longest—century of the Constitution, it was assumed otherwise. President Grant, contemplating running for a third term, addressed a meeting or a gathering—or an encampment of the Army, I think they would have said, of the Tennessee, which was held out in Iowa, and proposed a constitutional amendment that would prohibit aid to Catholic schools. It would not have said Catholic per se.

Mr. COHEN. I would have to check with Senator THURMOND to verify that.

Mr. MOYNIHAN. Yes, Senator THURMOND would know. But it was assumed that it was constitutional. He thought it would be an issue to make it unconstitutional. It took another 80 years for the Court to find that it was in there all along. I think you can read that clause. It says simply: "Congress shall make no law respecting the establishment of religion."

The Church of England is an established church. There were established churches in most of the colonies. I may be mistaken and probably am. I think several colonies had several established churches. That means public moneys go to the maintenance of the clergy and of the houses of worship. It was never, in any way, thought that you could not have parochial schools receive public moneys. They did in New York, until the 1920's when, under an informal arrangement whereby State-owned lands in the western part of the State—and I suspect Maine has the same arrangement—were sold for different purposes and used. It was a decentralized situation, and I regret to say—meaning no discredit and hoping not, in any way, to offend anybody—the Baptists were found to be padding their payrolls. So reform had to take place. Albany took over the disbursement of these funds. They were called public schools.

The issue arose as to what Bible would be used, and, of course, the majority wanted a King James Bible and the Catholics wanted a Bible of their own, and so the Catholic schools commenced their independent existence to this day. But the term "public school," or "PS" in the way of usage in Manhattan, comes from that point.

I just hope these comments—I cannot expect them to carry great weight across the lawn to our former neighbors in the Court, but it is a fact that the establishment clause contemplated a form of Government-supported religious institutions. That was normal in most of the world then and had nothing to do with day care centers, or halfway houses, or orphanages, or schools the way it may today.

So I think the Senator has a powerful point, a useful measure, and I thank him for being patient with my not necessarily precisely accurate recollection.

Mr. ASHCROFT. Madam President, I rise in support of the Dole amendment and in opposition to the amendment proposed by the Senator from Maine. The Senator from Maine suggests that States should make determinations about whether there should be another hurdle over which nongovernmental, private institutions, religious in character, have to crawl in order to be participants in helping solve this major challenge to our society and culture. In doing so, it would place a hurdle in their path that is placed in the path of no other organization, in terms of their eligibility to help solve this problem.

Strangely enough, this hurdle is placed in the path of some of the institutions that have the very best record at helping solve the problem. It is suggested that placement of this hurdle in the path is necessary to protect States and localities from lawsuits. But the truth of the matter is that nothing can protect anyone from a lawsuit relating to the constitutionality or lack of constitutionality of a statute or a public program, other than a constitutional amendment, which is explicit in its authorization. But still you run the risk of litigation.

It would be interesting, or perhaps maybe easier to understand this if what we were asking for here was unprecedented or had not been already enacted in other parts of the law. But I hold in my hand a report to the Congress for fiscal year 1994 of the Refugee Resettlement Program, which provides four grants directly to religious organizations for dispensing cash benefits. I could read a list of many, many such organizations that are involved in doing it.

As a matter of fact, many of those who are in this Senate today voted in favor of this program in 1980 when the Refugee Resettlement Program was enacted and asked that there be no special safeguard against the ability of religious, nongovernmental, not-for-profit organizations to assist with refugees. We would not want to end up with the anomalous situation of requiring churches to go over special barriers when providing services to welfare recipients in the United States, while not requiring them to go over the same barriers when helping refugees and others.

Similarly, the Adolescent Family Life Act, which was tested in the case of Bowen versus Kendrick, provides funds to public and private counseling agencies that counsel teenagers on matters of premarital sexual relations and pregnancy.

The act expressly provided that religious not-for-profit organizations were to be considered as eligible. In that case the Court held that the act did not on its face violate the establishment clause.

As a matter of fact, the Dole bill as it is currently constituted here and is before the Senate, has special protections in it—protections against proselytization, protections for individuals so if they are offended by having to go to a religious organization to receive a benefit, that the benefit can be provided in another setting rather than in the setting of the religious organization.

It also provides protections for the churches so that the churches can know they do not lose their ability to hire of like faith, and be associated with employees whose belief and character is consistent with the values for which the institution stands.

What we have here is an amendment which seeks to carve out a special category for welfare reform which does not exist in other parts of the laws.

The report to the Congress of the refugee resettlement program provides a list of dozens of organizations which receive help including churches, help that they pass on to the refugees without this kind of problem. There has not been a great problem in any respect, as a matter of fact, with the alleged unconstitutionality.

So we have a situation where we have those institutions in our culture and society with the very best track record of solving the problems of the welfare puzzle. We will say to them, you have to go to the added expense, you have to form a separate organization, you will have to lose some of the protections you have as a church, your ability to hire people that have values consistent with yours, that have a belief structure that is consistent with yours, you will have to forfeit all that in order to have this opportunity to participate in solving this problem which you have probably been working pretty aggressively to solve on your own. We would be well served as a Nation if these institutions would help us in the solution of this problem.

I think that is the challenge which is before the Senate. The question is whether or not we will continue to throw barriers in the path of the organizations which can help us substantially in solving this problem.

Now, we have tried the singular Washington one-size-fits-all remedy for a long time in welfare. We have seen what happens. We have watched the roles of those in poverty swell. We have watched the percentage of children in poverty in our country grow.

So when it comes time to try and extend ourselves to find a real solution to this problem and to borrow some of the solutions that the refugee resettlement program has used and to borrow some of the solutions to the problem that have been found in other recent legislation like the Adolescent Family Life Act, all of a sudden we hear the old bugaboos about needing to have special requirements for the religious organizations. Requirements that will make them second-class citizens, that will force them to go through the burden of setting up separate organizations.

Those who proposed the amendment and support it indicate there will be a tremendous fear on the part of agencies who might otherwise contract with the separate organizations.

Nothing in this bill would stop a religious organization from setting up a separate organization. Nothing would prohibit it. Nothing would change its option.

The only real mandate that we have in the Dole bill is that churches would be placed on a level playing field with other non-governmental institutions, that we would stop tossing barriers and prejudicial conditions in the paths of the religious institutions that wanted to help.

I need to try and make it as clear as I possibly can that I cannot endow the churches with rights to do things that they do not have a right to do under the Constitution, and neither can this body. I would not want to.

I believe that the States should not support the church, that the church should be separate from the State. But I believe that when organizations including religious organizations have the track record of helping move people from welfare to work, from indolence to industry, from a situation where they are kept in poverty to a situation where they have independence, I think for us to place undue burdens in their pathway is unfair, and not only is it unfair but it is inappropriate.

Why we should single out the community of faith in the United States of America and say that for that community there are special requirements that do not inure to other individuals in other parts of our culture and say they are second-class citizens and they are ineligible, is beyond me.

The courts have not said so. Previous enactments of the Senate have not said so, whether you are talking about the refugee resettlement program or whether you are talking about the Adolescent Family Life Act.

In previous efforts to deal with problems like this, the Congress in the Stewart P. McKinney Homeless Assistance Act sought to provide emergency shelter grant programs that would allow those programs to go to religious nonprofit organizations.

What we really ask for is that there be a level playing field here, not for the benefit of the organizations but for the benefit of a country that desperately needs help in breaking the cycle of dependence, breaking the cycle of poverty, and helping people move out of that welfare setting into a setting of work and industry.

I think it is inappropriate to place between those organizations and the opportunity to participate barriers which will slow their ability rather than grow their ability to be a part of the solution.

I think we need to emulate programs that can be found in virtually every city in America, programs which now are totally distinct and separate. Obviously, many of them fear involvement with governmental entities. We need to invite them to the table, not to proselytize, but to say we are interested in having their help.

The Dole bill guarantees that no one is to be proselytized. It guarantees that no one can be forced to confess or otherwise subscribe to a faith to get a benefit. It says that no money can be used for purposes of propagating the faith. It says churches, however, do not have to become sterile institutions that are nameless and faithless. The Salvation Army would not have to take the word "salvation" out of its title in order to participate in the program. It would not have to hire people whose beliefs and whose value structure are a threat to the character and the doctrine of the Salvation Army itself.

I believe that the bill as it stands is an invitation for help. It is an invitation which does not threaten the religious liberties of individuals. It does not prohibit churches or other nongovernmental religious organizations that are nonprofit from setting up separate organizations. But it simply would not allow the Government to impose upon them a requirement which is imposed upon no other organization, no other set of institutions in this country.

It does not label religious organizations who come to the table as participants for reconciliation and resolution of the welfare problem as second-class citizens, but it does say there are limits to what they can do.

It requires that they keep an accounting of the funds they receive from the Government. It requires that they follow and observe rules of how the funding must be spent. But it protects them from an invasive Government which might otherwise improperly seek to influence their belief structure or the way in which they conduct worship or engage in their activities.

The Dole bill on this matter is a balanced bill. To require or to promote the requiring of an additional hurdle over which these religious organizations would have to go when that is not required for anyone else would be manifestly unfair, and in my judgment it would be counterproductive.

I want to indicate that I do not have any objection to the first amendment proposed by the Senator from Maine to add to the bill the language that we will operate in a way that is consistent with the establishment clause of the Constitution of the United States. That is fine with me. When I took my oath, in every job that I have had for quite some time, I have sworn to uphold the Constitution, and I think that is part and parcel of what we do here. And I have no objection to that. I would be happy to agree to that. Since this item has been separated, we might avoid a vote on that.

But on the second item, I urge my colleagues not to place in the path of well-meaning religious, nonprofit organizations the requirement that there be the opportunity for States to have them go over major hurdles and expenses and forfeit opportunities to protect the organization from improper intrusion by Government by accepting this amendment. So I oppose this amendment and urge my colleagues to oppose the amendment.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Madam President, I rise to support the statements made by the Senator from Missouri with some reluctance, because I understand the Senator from Maine is essentially attempting to accomplish the same end as the Senator from Missouri, coming at it from different sides of the equation.

He spoke earlier about the extraordinary importance and effectiveness of the role of religious organizations and faith-based organizations in dealing with questions of welfare, poverty alleviation, poverty prevention and some of the social dislocations that exist in our country. Clearly, an examination, or even a cursory analysis of the effectiveness of those programs vis-a-vis Government programs, shows an extraordinary gap between the two. The religious organizations' programs have elements of care, elements of lower cost, elements of effectiveness that Government programs simply have not been able to match. So I think all of us recognize that and want to encourage their role in dealing with some of these seemingly intractable social problems.

I, like the Senator from Missouri, certainly have no problem with the first half of the amendment of the Senator from Maine regarding the establishment clause. I think that is proper.

But, as to the provision which removes the prohibition against States requiring the establishment of separate, nonsectarian operations by religious organizations, I think clearly—

while the intent of the Senator from Maine is not to have unwanted State discrimination against those institutions, that very likely could be the result. The practical effect of all of that is, I believe, going to discourage, if not eliminate, most of the organizations from participating in these programs.

It is the ability to bring some semblance of their sectarian nature to addressing the problem that results in the effectiveness of dealing with the problem. To remove that and subject them to what may be a discriminatory—at least a test of absolute separation from the very basis underlying their program, I think defeats the program.

For that reason I urge my colleagues to support the amendment of the Senator from Missouri and oppose the amendment of the Senator from Maine.

The PRESIDING OFFICER. The Senator from Maine.

Mr. COHEN. Madam President, let me offer a few more comments. I do not know that any other Members are coming to the floor to debate this issue or whether we should move to a vote relatively soon. I have not had any requests for further debate on this side.

Mr. MOYNIHAN. Madam President, if I may, I do not see any Senators seeking recognition, nor have I been told of any.

We have no requests for speakers on this side.

Mr. COHEN. Let me, then, just conclude if I could. Then perhaps my colleague might have some other comments to offer.

We are seeking essentially the same goal. That is, namely, to involve our religious organizations in helping out in the distribution of funds in our welfare program. My concern has been that the first amendment may very well be violated if, in fact, we have religious organizations—using the words, once again, of the Supreme Court—that are so permeated with sectarianism that the Court would find that providing them with government funding violates the Establishment Clause.

I by no means have suggested that churches or any other religious organizations are second-class citizens. Quite to the contrary, they are first-class citizens and they do first-class work. They are great humanitarians and we need them desperately in the entire effort in our welfare system.

Second, they are well-meaning people. We do not want to punish well-meaning people. I come back to the Supreme Court's language in Rosenberger versus University of Virginia:

> There exists an axiom in the history and precedent of the Establishment Clause, public funds may not be used to endorse a religious message.

So the question then becomes, would the atmosphere in that particular religious organization be so permeated with sectarianism that it seeks to promote and endorse a religious message which would then be subject to attack by a lawsuit? Let me just suggest some of the arguments that could be raised if this language remains in the bill.

First of all, under the bill, religious organizations are permitted to discriminate when hiring persons to provide welfare services with Federal funds. Right now we allow religious organizations to discriminate on the basis of religious affiliation when they hire people. We accept that. We may have a Catholic Church that wishes to hire only those of the Catholic faith. We may have a Jewish synagogue that wants only those of the Jewish faith; or Mormons, that want employees of the Mormon faith.

Here, however, we go one step further and permit religious organizations to discriminate when employing persons to provide welfare services with Federal funds. Is that going to be a dispositive factor? I do not know. It may be one factor a court would take into account. We have no way of gauging that now.

Under the bill, however, we go one step further and say we prohibit States from requiring religious organizations from establishing separate nonprofit public entities, another factor that would be argued in all likelihood.

We require that organizations providing welfare services be allowed to have religious symbols on their walls and that they not be required to remove religious icons, scriptures, or symbols.

Whether the totality of that atmosphere would amount to a permeation of a sectarian message, I do not know. Only the court will decide.

What seems clear to me, however, is that a State might very well decide not to contract out with such a religious organization in order to avoid a lawsuit. No State can avoid a lawsuit—I think the Senator from Missouri is quite correct— we can do nothing short of a constitutional amendment, and even then it will be subject to a lawsuit for interpretation. But a State might very well be reluctant to draw in religious organizations under these circumstances.

So I suggest to my colleagues, one way to avoid the very thing that we are professing we want most—that is, to draw more people in, to draw the organizations in—is to push them away by virtue of the language contained in the Dole bill. So we have the same objective.

I simply point out, in the Bowen versus Kendrick, which both of us have cited, the Court noted that even when the statute appears to be neutral on its face:

> We have always been careful to ensure that direct government aid to religiously affiliated institutions does not have a primary effect of advancing religion. One way in which direct government aid might have that effect is if the aid flows to institutions that are "pervasively sectarian."

I might point out that the court, in ruling in this case, upheld the facial validity of the statute. The Justices then sent it back down to the trial court to see if in application the funds were distributed in an unconstitutional manner.

So we had the very situation which we are likely to see replicated time and time again in the future. One way to avoid that situation is to strike section 102(d)(2)(B).

So I want to commend my colleague from Missouri. I think that he and I have the same objective. He believes that by leaving that language in, it will certainly not discriminate against the institutions, and that is correct. My view is it will, in fact, cause the State to discriminate in an adverse way, and that is not to contract with those various institutions which we want to be part of the system.

Mr. MOYNIHAN. Mr. President, as we prepare to vote, may I just hold the Senate for just a moment to read a passage from the message to the legislature by Gov. William H. Seward in New York State in 1840. Governor Seward went on to a distinguished career here in Washington, and we have Alaska, among other things, to thank him for.

He said:

> The children of foreigners, found in great numbers in our populous cities and towns, and in the vicinity of our public works, are too often deprived of the advantages of our system of public education, in consequence of prejudices arising from difference of language or religion. It ought never to be forgotten that the public welfare is as deeply concerned in their education as in that of our own children. I do not hesitate, therefore, to recommend the establishment of schools in which they may be instructed by teachers speaking the same language with themselves and professing the same faith.

Governor Seward was from Auburn, NY, far away from those foreigners, and, as a matter of fact, if you would like to know the fact, those were Irish. And they did not speak English. They spoke Gaelic. But the idea that they had a right to public school was very clear to people, and very close to the Constitution.

Just for purposes of innocent merriment and the possible instruction of the Honorable Justices of the Court, I would like to ask unanimous consent that, and a few succeeding paragraphs, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

> This situation prompted the Whig Governor William H. Seward to make this proposal to the legislature in his message for 1840:
>
> "The children of foreigners, found in great numbers in our populous cities and towns, and in the vicinity of our public works, are too often deprived of the advantages of our system of public education, in consequence of prejudices arising from difference of language or religion. It ought never to be forgotten that the public welfare is as deeply

concerned in their education as in that of our own children. I do not hesitate, therefore, to recommend the establishment of schools in which they may be instructed by teachers speaking the same language with themselves and professing the same faith."

Instead of waiting for the rural, upstate legislature to ponder and act upon this proposal of an upstate Whig governor, the Catholics in the city immediately began clamoring for a share of public education funds.[44] The Common Council declined on grounds that this would be unconstitutional. In October, 1840, the Bishop himself appeared before the Council, even offering to place the parochial schools under the supervision of the Public School Society in return for public aid. When he was turned down, tempers began to rise.

In April, 1841, Seward's Secretary of State John C. Spencer, *ex officio* superintendent of public schools, submitted a report on the issue to the State Senate. This was a state paper of the first quality, drafted by an authority on the laws of New York State (who was also de Tocqueville's American editor). Spencer began by assuming the essential justice of the Catholic request for aid to their schools:

"It can scarcely be necessary to say that the founders of these schools, and those who wish to establish others, have absolute rights to the benefits of a common burthen; and that any system which deprives them of their just share in the application of a common and public fund, must be justified, if at all, by a necessity which demands the sacrifice of individual rights, for the accomplishment of a social benefit of paramount importance. It is presumed no such necessity can be urged in the present instance."

To those who feared use of public funds for sectarian purposes, Spencer replied that all instruction is in some ways sectarian: "No books can be found, no reading lessons can be selected, which do not contain more or less of some principles of religious faith, either directly avowed, or indirectly assumed." The activities of the Public School Society were no exception to this rule: "Even the moderate degree of religious instruction which the Public School Society imparts, must therefore be sectarian; that is, it must favor one set of opinions in opposition to another, or others; and it is believed that this always will be the result, in any course of education that the wit of man can devise." As for avoiding sectarianism by abolishing religious instruction altogether, "On the contrary, it would be in itself sectarian; because it would be consonant to the views of a peculiar class, and opposed to the opinions of other classes."

Spencer proposed to take advantage of the diversity of opinion by a form of local option. He suggested that the direction of the New York City school system be turned over to a board of elected school commissioners which would establish and maintain general standards, while leaving religious matters to the trustees of the individual schools, the assumption being that those sectarians who so wished would proceed to establish their own schools.

"A rivalry may, and probably will, be produced between them, to increase the number of pupils. As an essential means to such an object, there will be a constant effort to improve the schools, in the mode and degree of instruction, and in the qualification of the teachers. Thus, not only will the number of children brought into the schools be incalculably augmented, but the competition anticipated will produce its usual effect of proving the very best material to satisfy the public demand. These advantages will more than compensate for any possible evils that may be apprehended from having schools adapted to the feelings and views of the different denominations."

The legislature put off immediate action on Spencer's report. But Catholics grew impatient. When neither party endorsed the proposal in the political campaign that fall, Bishop Hughes made the calamitous mistake—four days before the election—of entering a slate of his own candidates for the legislature. Protestants were horrified. James G. Bennett in the New York Herald declared the Bishop was trying "to organize the Irish Catholics of New York as a district party, that could be given to the Whigs or Locofocos at the wave of his crozier." The Carroll Hall candidates, as they were known, polled just enough votes to put an end to further discussion of using public funds to help Catholics become more active citizens.

Mr. MOYNIHAN. I thank the Chair.

Mr. ASHCROFT. Mr. President, if I might for a moment say a few words to close to state my support for the Dole bill as it exists rather than as it has been proposed to be amended, I thank the Senator from Maine for endorsing the concept of widening and broadening the groups of individuals in the culture who will help us solve the welfare problem. But to elevate the States to the place of a judicial entity which seeks to determine whether or not there has to be a separate structure in place in order to avoid first amendment problems I think is a compound misunderstanding.

First of all, it is a misunderstanding to think that the States could make a difference. The truth of the matter is whether or not you violate the first amendment cannot be determined by the State. The State can cause additional expense, or can place barriers in the roadway for religious institutions, but it cannot provide any kind of guarantee that there will not be a lawsuit.

Second, it is well settled law. I am talking about the modern law, and I thank the senior Senator from New York for his comments about the relationship between our States and funding for social services, and other types of services. But it is well settled modern law that the test of whether or not there is an infringement of the establishment clause is not a test of structure. The test is the test of activity, and a test of administration.

If you had a totally sectarian organization which was using government funds to meet public purposes, it is clear that religious institutions, according to the case of Bowen versus Kendrick—that is the 1988 case of the U.S. Supreme Court—religious institutions are not disabled by the establishment clause from participating in publicly sponsored social welfare programs. You could have a totally secular organization, a private, even business, corporation endowed by funds from the Federal Government, and, if its activities were to somehow impose religion using those funds, it would be an affront to the Constitution.

Recognizing that it was the activities that could potentially offend the Constitution, and not the structure that could potentially offend the Constitution, the Dole bill was carefully drawn so as to prohibit offensive activities and to allow the religious organizations to maintain their structure. We do not want religious organizations to have to change their character. We do not want them to have to belie what they are. We do not want them to have to participate in hiring practices and other difficult situations which are inconsistent with their belief structure. We want their help but we do not want them to use public funds in achieving religious purposes.

So the Dole bill has clear language which goes to the heart of the relevant facts of activity, not of structure, and it makes it clear that, since structure is not really important, this barrier of expense and intimidation which would stop some from participating and coming to the table to participate in a full range of these activities should not be mandated or allowed to be required by the States.

It is with that in mind that we seek to enlarge the community of care in America, and we seek to enlarge it in a way which will bring in individuals who can really make a difference.

I pointed out earlier that we had the refugee resettlement program which has specific authority to deal with religious organizations—and, as a matter of fact, has been operating that way—so that we have a test. We already have organizations. As a matter of fact, I believe most of the Members who are in this Chamber now who were in this Chamber in 1980 voted for this program without these special provisions.

It is interesting to me that in the closing days of the Bush administration they made a proposal, as a part of their service to this country, which recommended exactly what we have asked be done; that is, that we enlarge the group of individuals who are capable of assisting by inviting religious organizations, not to proselytize, not to promote their religion but to participate when their activities are characterized by the public purpose. And the Supreme Court of the U.S. has explicitly indicated that it is not structure but it is, in fact, purpose, and it is, in fact, activity which determines.

I just add that the Bowen case in that matter indicated that when the activities were specific and public purpose in nature—and they were defined clearly enough so that there could be an assessment of those activities and an evaluation of them by the State—that was the real test which decided whether or not there was an improper intermixing of church and state that would be in violation of the first amendment.

Mr. COHEN. Will the Senator yield?

Mr. ASHCROFT. Indeed, I am happy to yield.

Mr. COHEN. The Senator has on at least two occasions indicated the Dole legislation as currently written prohibits proselytizing. I have been looking at the language. I could not find it. Perhaps the Senator could direct it to my attention, the specific prohibition.

Mr. ASHCROFT. I refer to line 7, section 103—no funds used for programs established or modified under this act shall be expended for sectarian worship or instruction.

Mr. COHEN. The word proselytizing, I was looking for the word. I have not found it.

Mr. ASHCROFT. If I spoke to use proselytization, the word to my understanding does not actually appear—the provision just prohibits using funds for purposes of sectarian worship or instruction. I do not think that it would obviously allow proselytizing.

Mr. COHEN. I thank the Senator.

Mr. ASHCROFT. It is with this in mind that I urge the defeat of the Cohen amendment.

Mr. COHEN. Madam President, I believe we can dispose of part one of the amendment simply by voice vote, and then ask for the yeas and nays on the second part.

Mr. MOYNIHAN. That is quite agreeable, Madam President.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2586, division I.

So division I of the amendment (No. 2586) was agreed to.

Mr. COHEN. Madam President, I ask for the yeas and nays on part 2 of the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2586, division II. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER (Mr. DEWINE). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 59, nays 41, as follows:

[Rollcall Vote No. 421 Leg.]

YEAS—59

Akaka	Conrad	Inouye
Baucus	Daschle	Jeffords
Biden	Dodd	Johnston
Bingaman	Domenici	Kassebaum
Boxer	Dorgan	Kennedy
Bradley	Exon	Kerrey
Breaux	Feingold	Kerry
Brown	Feinstein	Kohl
Bryan	Ford	Lautenberg
Bumpers	Glenn	Leahy
Byrd	Graham	Levin
Campbell	Harkin	Lugar
Chafee	Heflin	Mikulski
Cohen	Hollings	Moseley-Braun
Moynihan	Reid	Snowe
Murray	Robb	Specter
Nunn	Rockefeller	Stevens
Packwood	Sarbanes	Thomas
Pell	Simon	Wellstone
Pryor	Simpson	

NAYS—41

Abraham	Gorton	Mack
Ashcroft	Gramm	McCain
Bennett	Grams	McConnell
Bond	Grassley	Murkowski
Burns	Gregg	Nickles
Coats	Hatch	Pressler
Cochran	Hatfield	Roth
Coverdell	Helms	Santorum
Craig	Hutchison	Shelby
D'Amato	Inhofe	Smith
DeWine	Kempthorne	Thompson
Dole	Kyl	Thurmond
Faircloth	Lieberman	Warner
Frist	Lott	

So the amendment (No. 2586), division II, was agreed to.

Mr. COHEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ASHCROFT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I have an amendment that simply contains some technical corrections to an earlier amendment that I had tossed in. I would like to offer this amendment at this point. There is a pending amendment, however, is that correct, or is that not correct?

The PRESIDING OFFICER. Technically, all of the amendments are now pending.

Mr. SIMON. Mr. President, I ask unanimous consent that the pending amendments be set aside so that I may offer this amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 2681 TO AMENDMENT NO. 2280

(Purpose: To provide grants for the establishment of community works progress programs)

Mr. SIMON. Mr. President, I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Illinois [Mr. SIMON], for himself and Mr. REID, proposes an amendment numbered 2681 to amendment No. 2280.

Mr. SIMON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. CHAFEE. Mr. President, I see the distinguished majority leader here. I wonder if we can get a little progress report or an expectation report.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, it is my understanding that we are making progress.

[Laughter.]

Mr. DOLE. I have been talking to the distinguished Democratic leader throughout the day. We believe there are about four or five areas if we can reach some agreement on we might wrap this bill up fairly quickly. I think they are discussing it. Staff is in my office now. I have not had a chance to get back to the Democratic leader.

Hopefully, what we might be able to do tonight, if Senators WELLSTONE, FAIRCLOTH, CONRAD, a Republican amendment and then Senator DORGAN can offer their amendments tonight.

Mr. MOYNIHAN. And Senator EXON.

Mr. DOLE. We could stack those votes starting at 10 o'clock tomorrow morning. Debate the amendments tonight, have the vote starting at 10 tomorrow morning, if we can work it out. If not, we will just have to stay here tonight and vote.

Mr. MOYNIHAN. I would like to add Senator EXON.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2680

Mr. HARKIN. Mr. President, I ask unanimous consent to call up amendment 2680 and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN] proposes an amendment numbered 2680.

Mr. HARKIN. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in the Friday, September 8, 1995 edition of the RECORD.)

Mr. HARKIN. Mr. President, I understand the managers of the bill will accept this amendment. I will just take a very few minutes to describe it.

Mr. President, this amendment clearly expresses the sense of the Senate that any legislation we enact—whatever the final outcome of the welfare reform bill may be—should not eliminate or weaken the present competitive bidding requirements in any program using Federal funds to purchase infant formula.

This amendment does not impose any new requirements, but it says that whatever the outcome on this legislation, whenever Federal dollars are involved in purchasing infant formula, competitive bidding should be required in the same manner that it is now.

The reason I am concerned is that the House of Representatives has passed legislation that would create a new block grant encompassing the current WIC Program. But that bill does not require the States to use competitive bidding or equivalent cost containment, which is presently required for purchasing infant formula in the WIC Program.

WIC competitive bidding benefits two classes of people. It allows more people to be helped by WIC with the limited amount of money available. WIC still does not reach all eligible people, so savings allow more pregnant women, infants, and children to be served. And competitive bidding saves taxpayers' money because less spending is needed to achieve the objectives of WIC.

I must say at the outset, Mr. President, for the record, I personally do not favor converting WIC into a block grant or drastically changing it. WIC has been one of our most successful efforts to improve the nutrition and health of children.

Numerous studies have demonstrated the benefits and cost effectiveness of WIC. It saves money because it heads off a lot of problems that could be very costly. That is my own personal view.

Whatever may happen with respect to the WIC program, I strongly believe that we in Congress have a responsibility to prevent outright waste and squandering of Federal dollars. That is likely to result if we abandon the competitive bidding requirement.

The case for competitive bidding is too clear to ignore. Rebates obtained through competitive bidding for infant formula have reduced the cost of infant formula for WIC participants by approximately $4.1 billion through the end of fiscal year 1994, allowing millions of additional pregnant women, infants, and children to achieve better nutrition and health through the limited WIC funds available.

The Department of Agriculture has estimated that in fiscal year 1995, rebates obtained through competitive bidding for infant formula will total over $1 billion, which will enable WIC to serve approximately 1.6 million additional women, infants and children. For my State of Iowa, the fiscal year 1995 rebate savings will be about $7.8 million, allowing an estimated 12,734 more people to be served without one additional dime of cost to the taxpayers.

Mr. President, I worked very hard to include the provision in the 1987 Commodity Distribution Reform Act that allowed States to keep a portion of the savings they achieved through competitive bidding.

Without that provision, they could not have used those savings to serve more people. The money would have come back to Washington, DC. The chairman of the Agriculture Committee, Chairman LEAHY and I, worked closely together to get that legislation passed. In 1989, I introduced the Child Nutrition and WIC Reauthorization Act, which included a requirement to use competitive bidding or equally effective cost containment measures for purchasing WIC infant formula, and again worked closely with Chairman LEAHY in gaining its enactment.

All of the studies and the experience we have had since that time show that we have indeed saved a lot of money through competitive bidding, and we have served a lot more people. It has been one of our most successful programs, as I said.

Mr. President, earlier this year, on February 28, 1995, there was an article in the Wall Street Journal. The headline says "Four Drug Firms Could Gain $1 Billion Under GOP Nutrition-Program Revision." What the headline referred to was doing away with the competitive bidding requirement in legislation before the House of Representatives.

I ask unanimous consent this article appear at the end of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit No. 1)

Mr. HARKIN. Just to repeat, this amendment is a sense-of-the-Senate resolution stating that whatever we do here we will continue to have competitive bidding in the purchase of infant formula using Federal funds.

I thank the managers of the bill. I thank Senator DOLE for his support and his willingness to accept this amendment.

EXHIBIT

[From the Wall Street Journal, February 28, 1995]

FOUR DRUG FIRMS COULD GAIN $1 BILLION UNDER GOP NUTRITION-PROGRAM REVISION

(By Hilary Stout)

WASHINGTON.—Four pharmaceutical companies stand to gain as much as a billion dollars under a Republican bill that overhauls federal nutrition programs for children and pregnant women.

The companies sell infant formula to the Women, Infants and Children (WIC) program, a federal initiative that provides formula as well as milk, beans, rice and other nutritious foods to poor children and to pregnant and breast-feeding women. Since 1989 the companies have been required by law to enter into a competitive bidding process in order to sell formula to WIC, resulting in rebates to the government that are expected to reach $1.1 billion this year.

A bill that cleared the House Economic and Educational Opportunities Committee on a party-line vote last week would turn the WIC program over to states in the form of a "block grant," and with it repeal the cost-containment competitive-bidding measure. An amendment to restore it was defeated by the committee. The legislation now moves to the House floor for consideration.

The four companies, the only domestic makers of infant formula—Ross Laboratories, a unit of Abbott Laboratories; Mead Johnson, a unit of Bristol-Myers Squibb Co.; Wyeth-Ayerst, a unit of American Home Products Corp.; and Carnation Co., a U.S. subsidiary of the Swiss conglomerate Nestle SA—fought the competitive-bidding measure fiercely when it came before Congress in the late 1980s. Until then, they were collecting retail prices for the infant formula they sold to WIC.

Sen. Patrick Leahy of Vermont, the senior Democrat on the Senate Agriculture Committee and the lawmaker who led the effort to enact the cost-containment measures, threatened to filibuster the bill yesterday if it reaches the Senate. "It is really obscene," Sen. Leahy said. "The most conservative of people should, if being truthful, like the competitive bidding. . . . It's just rank hypocrisy."

If the bill reaches the Senate floor, Sen. Leahy continued, "I've spent 20 years building bipartisan coalitions and working on nutrition programs. If it's necessary to discuss my whole 20 years' worth of experience in real time, I'll do it."

In 1993, the latest year for which figures are available, the WIC program spent $1.46 billion in infant formula but received $935 million in rebates. That cut the overall cost of providing formula to $525 million, nearly a two-thirds reduction. Moreover, the states, which administer the program, were allowed to use the rebates to add more people to the WIC program.

The action on WIC comes as a liberal-leaning research group, the Center on Budget and Policy Priorities, released a study questioning the continuing effectiveness of some of the infant-formula rebates. The center's analysis found that in the last year, despite the cost-containment requirements, the cost of infant formula purchased through WIC has almost doubled in many states.

Since last March, the study said, 17 state WIC programs have signed rebate contracts with at least one of the major formula manufacturers. Under those agreements, the average net cost of a 13-ounce can of concentrated infant formula was 60 cents compared with a 32-cent average price under rebate contracts signed during the previous 15 months, the study said.

The Federal Trade Commission has been investigating the infant formula makers' rebate and pricing practices, and at least one state, Florida, has filed suit against the manufacturers.

Mr. DOLE. We are prepared to accept the amendment.

Mr. MOYNIHAN. We are prepared to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2680) was agreed to.

Mr. MOYNIHAN. I move to reconsider the vote.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2545

Mr. DOLE. Mr. President, I will get a unanimous-consent agreement now that it has been cleared on each side.

In the meantime, what is the status of amendment 2545 offered by the Senator from Iowa—the other amendment, numbered 2545?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. DOLE. I would be prepared to accept that amendment No. 2545 if we vitiate the yeas and nays and have no discussions.

Mr. HARKIN. If the leader will yield, that is very acceptable. I appreciate that very much.

Mr. DOLE. I ask the yeas and nays be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. I thank the Chair.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2545) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNANIMOUS CONSENT AGREEMENT

Mr. DOLE. Mr. President, I ask unanimous consent the following amendments be in order tonight, in the following sequence, and that following the conclusion of all debate, the Senate proceed to votes on or in relation to each amendment at 10 a.m., in the order in which they were debated, that there be 10 minutes of debate equally divided in the usual form before the first vote and the debate between the remaining stacked votes be limited to 10 minutes equally divided in the usual form, and all votes in the voting sequence after the first vote be limited to the 10 minutes: Wellstone, 2584; Faircloth, 2609; Conrad, 2528; Jeffords, 2581; Dorgan 2535; McCain 2589; Exon 2525; Nickles 2556.

Mr. DASCHLE. Reserving the right to object, I ask the majority leader if we could add as the next amendment an amendment by Senator DODD, which may or may not be offered? But he would like to be added to the list. Obviously, it will be subject to our ongoing negotiation. But if we could add Senator DODD?

Mr. MOYNIHAN. To the list for tonight?

Mr. DASCHLE. To the list for tonight.

Mr. DOLE. I have no objection to that. That would follow disposition of the Nickles amendment, which is the last one on this list, if we do not have some agreement by then. But I would not be able to enter into a time agreement.

Mr. DASCHLE. That is right, and I do not know that Senator DODD will even be interested in offering the amendment, but it was at his request that we add his name. I think that would satisfy the needs on our side.

The PRESIDING OFFICER. Does the majority leader modify the request?

Mr. DOLE. Yes, I modify my request, if in fact the Senator from Connecticut, Senator DODD, wishes to offer an amendment, he be recognized following the disposition of the Nickles amendment No. 2556.

The PRESIDING OFFICER. Is there objection to the modified request? Without objection, it is so ordered.

Mr. DOLE. Mr. President, my view is we are trying to reach an agreement on about four major issues. Hopefully, we will have that determined by the time we complete voting on these tomorrow. If, in fact, we can reach an agreement, I hope all the other amendments would go away, at least nearly every other amendment go away. If we cannot reach agreement, then we would have a cloture vote sometime tomorrow after consultation with the Democratic leader.

It is still my hope to dispose of this bill tomorrow night because we have six appropriations bills to do. We would like to start appropriations bills on Friday and then complete action on the appropriations bills on the 30th of September. If we can do that, there may be an opportunity for us to have a week's recess.

So I hope all of our colleagues would help us on the appropriations bills. To get to the appropriations bills, we have to finish welfare reform, and we are only going to have one cloture vote. If we do not get cloture, that is it. It will go in the reconciliation and all these amendments that are pending will be pending forever, I guess.

In any event, there will be no more votes tonight and the votes will start at 10 o'clock tomorrow morning.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I call up my amendment No. 2584 on behalf of myself and Senator MURRAY.

AMENDMENT NO. 2584

The PRESIDING OFFICER. The Senator has called up amendment No. 2584, which is the pending question.

The Senator from Minnesota is recognized.

If the Senator will suspend a moment? If those Members who are having discussions in the aisle could please retire to the cloakroom?

The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I thank the Chair for gaining order in the Chamber.

Mr. President, I will speak for a while and then I really would like to defer to my colleague from Washington, Senator MURRAY. Then I will complete my remarks.

Mr. President, could I have order in the Chamber, please?

The PRESIDING OFFICER. Those Members who are still in the aisle, please retire to the cloakroom so the Senator may be heard.

The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, last year the Congress made a commitment to fight the epidemic of violence against women and children when we passed the historic Violence Against Women Act. This commitment must not be forgotten as we debate welfare reform. Yet, the bill that we have before us does not contemplate even for 1 minute that many women are on welfare because they have escaped violence in their homes. Some of the studies that have been done show that as many as 60 percent of welfare mothers are women who were battered, women who have left a very dangerous home.

The last thing we want to do is force those women back into those homes. For many of these women, welfare is the only alternative, for some support it is the only alternative, for some public financial support for themselves and their children is the only alternative to a very dangerous home.

Domestic violence is one of the most serious issues our country faces. I wish I did not have to say that on the floor of the Senate, but it is the case. It knows no borders, neither race, gender, geography nor economic status shields someone from domestic violence.

Every 15 seconds a woman is beaten by a husband or a boyfriend every 15 seconds. Over 4,000 women are killed every year by their abuser. Every 6 minutes a woman is forcibly raped. The majority of men who batter women also batter their children. A survey conducted in 1992, Mr. President, found that more than half of battered women stayed with their batterer because they did not feel they could support themselves or their children. We do not want to put women in a situation where they have to stay in an unsafe home where their lives are in jeopardy, where their children's lives are in jeopardy because of a piece of legislation we passed.

Mr. President, this amendment allows an exemption for women who come out of these kinds of homes who have had to deal with this kind of physical violence, and it allows States to exempt people who have been battered—it could be a man; usually it is a woman—or subjected to extreme cruelty from the strict new rules that we have within the welfare system without being penalized for meeting the participation rate.

Mr. President, this amendment allows States to modify or to exempt women from some of the requirements in this bill. Monica Seles, the tennis player who was stabbed took 2 years before she could get back to playing tennis. Just imagine what it would be like for a woman who had been beaten over and over and over and over again and finally left that home with her children. How long does it take her to mend? Do we want to say she has to work or she is out? Two years and she is out? It may take a longer period of time.

This amendment says we ought to establish at the national level some overall standards so that States will exempt from some of the provisions of

this piece of legislation women and children who come out of these circumstances.

Mr. President, the term "battered" or subjected to "extreme cruelty" includes physical acts, sexual abuse, neglect or deprivation of medical care, and extreme mental abuse. But we leave it up to the States to define those terms. But what we are saying is this is an epidemic. We made a commitment last year. We do not want to force a woman and her children because of their economic circumstances back into a brutal situation, back into a home which is not a safe home, but a very dangerous home. We have to provide some protection. That is the reason for this general guideline that we establish at the national level and then allow States to go forward. And it is extremely important that States be allowed to do so. Otherwise, they will be penalized for not reaching their employment goal.

Right now a State has no incentive to exempt a mother who is faced with these kinds of conditions because that State is trying to meet that work participation rate.

This amendment says States ought to be allowed that exemption or modifying it. For example, maybe a mother can meet the 2-year requirement. Maybe she cannot.

It is shocking, I say to my colleagues, because they go into a job training program they have trouble with their abuser. So maybe she cannot do that or maybe she can. Maybe the 5-year requirement does not work. We are talking about women and children who have lived through, if they are lucky enough, to have lived through nightmare circumstances.

So I certainly hope the Senate will have the compassion, and the Senate will have the commitment to women and children to allow this very, very important amendment to pass with this very important exemption.

I yield the floor.

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I am very proud to join my colleague from Minnesota, Senator WELLSTONE, in offering this extremely important amendment. And I commend him on his very eloquent statement and appreciate his work on this very difficult and very important issue of battered individuals. He has committed a lot of time and energy to that. I want him to know how much I appreciate that.

We all know that America's poor face many obstacles as they try to get back on their feet and become productive, contributing members of our society. However, the women who have been victims of abuse and the children, frankly, who have witnessed this abuse, or were abused victims themselves, have even more barriers which impede their ability to move on and move up.

I would hope that this Senate steps back from the rhetoric of the past few days and the technical terms that we are using, and think for a few minutes about some of the people that this welfare reform bill is going to very directly affect as we pass it, in particular battered women and children.

These abused women and children have lasting scars that will take many years to heal, and they are often forced to live in fear that their abuser will find them and hurt them once again.

This amendment is important because we must recognize that women on public assistance who were battered confront unique obstacles and circumstances as they make the very difficult move from dependency to self-sufficiency. As we attempt to fix our troubled welfare system and help rebuild America's families, let us not make it harder for these women and their kids to get ahead and put there troubled past behind them.

Domestic violence and the impact that it makes on those who suffer this abuse is a very real and a very serious problem. In my State, a survey of women on public assistance found that over half reported being physically abused by a spouse or a boyfriend.

Throughout this debate on welfare, I have come to the floor several times to talk about June, who is a welfare recipient in my State, and who is my partner in the Walk-a-Mile Program. That is a program that began in the State of Washington. It has gone across the country. That matches a welfare recipient with an elected legislator. We have talked on the phone. We have shared experiences. I shared mine with her. She has shared hers with me. So that we have gotten to know what it is like to live in each other's shoes. And I will tell you that hearing her story has really enabled me to better understand the everyday challenges of a young mother trying to make it on her own and to take care of two young kids. It has been difficult for June to share some of her stories with me because she was in a very abusive relationship. Her children witnessed their mother being beaten and verbally abused. In fact, June told me her most vivid memory of that time was hearing her frightened 3-year old daughter's pleading voice saying, "Daddy, are you going to kill my mommy? Please do not kill my mommy."

That is what this woman came from. And I can tell you as a mother, and as a former preschool teacher, memories like that have an everlasting and dramatic effect on the lives of children who experienced such pain and torment in addition to the emotional trauma that confronts both the woman who suffered abuse and the children who are exposed to it. There are many practical problems which prevent these women from succeeding that we have to consider as we look at this welfare debate.

First, these women who are abused survivors often have problems holding a job.

Second, women who have lived with a batterer often lack skills because their abuser did not allow them to go to work or to attend school.

And third, a woman who has left her abuser often faces the extreme danger of being stalked. And she may not be able to leave her house to go to job training classes or to work. And the same woman who has finally decided that enough is enough may live in fear that her abuser will come after her and to get their children and to take them away. Do we think that this woman is going to be a productive worker? Do we think she is going to leave her kids out of her sight? I can tell you the answer is no. These are difficult problems that these women have to overcome.

This amendment takes those factors into account and offers the flexibility States need to help women who have been abused to successfully improve their lives and that of their children.

We cannot ignore these problems that these women will face, and we have to make some exceptions for them. Believe me, and frankly believe June, my Walk-a-Mile partner. It will be hard enough for these families to make it. But let us not make it impossible.

As Senator WELLSTONE has so eloquently stated, we do not want to force these women back into the home of their abuser because welfare is not available for them.

I urge my colleagues to send the women and children of our Nation the right message: We care about you. We respect you. We want you to succeed.

Please cast your vote in favor of this amendment.

I thank the Chair. I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I have much more to say, but I believe my colleague from North Carolina wants to speak now and I will wait and follow or respond to him.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. FAIRCLOTH. I thank the Chair.

I call up my amendment No. 2609, and I ask for its immediate——

Mr. WELLSTONE. Mr. President, I thought my colleague was here to debate my amendment.

Mr. FAIRCLOTH. I am sorry. I had an amendment. I thought the Senator was through.

Mr. WELLSTONE. No. I am sorry.

The PRESIDING OFFICER (Mr. BROWN). The Senator from Minnesota is recognized.

Mr. WELLSTONE. I thank the Chair.

I apologize to my colleague from North Carolina. I thought he was here

to debate my amendment, and I did not want to keep him waiting.

Mr. President, let me just read a few examples that I think tell the story. Linda Duane from Edison, NJ.

Linda is a 38-year-old mother of five. Her ex-husband was a police officer. He was abusive toward her. In 1982, the abuse led her and her husband to separate. "At that time," she says, "domestic violence laws were not set up to protect women; they protected him." She was forced to move into her mother's home and she started to receive welfare. She had married right out of high school and never worked outside her home. When her divorce came through she paid back all the welfare payments.

For five years she was alone and on her own, but she did not get any counseling for her previous abuse. She became involved in an even more abusive relationship. She later separated from him but he continued to stalk her. He came to her place of employment and she was subsequently suspended from her job for a week. He hung himself the next week on her porch while her children were inside the house. She lost her job the next day because she was told she needed to receive mental help before she could return to work. She lost her home and ended up in a battered women's shelter and again began to receive benefits. She is currently in transitional housing where she is trying to put her life together. She just finished some college classes and hopes to return to school this fall.

Mr. President, another woman from St. Paul, MN, Fran Stark.

Fran, who I must say is quite a success story, is currently the office manager for TRIO and tutor coordinator for Student Support Services at the University of Minnesota. She married the year after she graduated from high school. But after 16 years of an abusive relationship she divorced her husband. That left her with two children and very few job skills. She went on welfare. She enrolled her son in Head Start and became involved with parent training courses there. She has since enrolled at the University of Minnesota and is almost done with her course work to get her bachelor's degree.

Lisa Yost from Wilmington, DE.

Lisa is a single mother. She has been on welfare since her daughter was born. The father of her child was unemployed and very abusive. After 3 years she could not take it any more. She had him arrested in 1993 and went to a shelter. She went on welfare and started to take her life back. She started school to get her GED. She testified that,

Without welfare I would not be able to maintain my apartment or provide day care for my child. Food stamps help feed my family and we relied on Medicare while I am attending school. The abuse I suffered lowered my self-esteem which kept me from achieving any goals for myself and my child. Healing took time, counseling and a lot of effort from myself . . . Without the financial assistance of AFDC I would not have been able to get my life back on track.

Mr. President, what this amendment says one more time is let us not have a one size fits all welfare system. Let us at least make some commitment that there will be some compassion built into this piece of legislation.

Again, I say to my colleagues, all you have to do is spend some time with families that have been through this violence.

Monica Seles took 2 years to go back to the tennis court because of what she had to deal with. Imagine what it would be like to be beaten over and over again. How long does it take to heal? What we are saying is that this piece of legislation does not take into account any of these circumstances for women and their children.

What we are saying is that we set at the national level an exemption to the rules. Then we let States decide how to implement this and we make sure that no State, loses sight of this kind of an epidemic that we are faced with in this country and, no State is penalized for making sure that we do not take women who have been receiving some assistance and force them back into violent homes.

If this amendment does not pass, that is precisely what we are doing with this piece of legislation.

Again—and my colleague from Washington did a very fine job of really stating the case—it just takes time. If you go to visit shelters, many of the women and men that work in the shelters will tell you that over 60 percent of the women who try to find shelters have to be turned away.

You are now on your own. You have been beaten. You suffer from the equivalent of post-traumatic stress syndrome. You are frightened. You are scared. Almost all of your confidence has been beaten out of you or you feel like a failure.

And I again remind my colleagues, every 15 seconds a woman is beaten by a husband or a boyfriend. Over 4,000 women are killed every year by their abuser. Every 6 minutes a woman is forcibly raped and over 60 percent of welfare mothers come from these kinds of abusive situations.

We have to have some exemption. So my amendment specifically says,

Notwithstanding any other provision of this bill, the applicable administering authority of any specified provision shall exempt from (or modify) the application of such provision to any individual who was battered or subjected to extreme cruelty if the physical, mental, or emotional well-being of the individual would be endangered by the application of such provision.

That is legalese. What we are saying is that a State can establish the criteria of what is abuse or extreme cruelty. But States must not be penalized when they make exceptions for the victims of domestic violence. They do not have to count these victims in their calculation of participation rates.

Mr. President, there was a study of a training program in Chicago that found that 58 percent of its participants were current victims of domestic violence, and an additional 26 percent were past victims.

So what happens, to give an example, when a mother now tries to go into a job training program to move into the work force, but the confidentiality she needs to be safe from her husband is breached, or for her boyfriend who is fiercely possessive and angry because she is now in a job training program. And many women get beaten up because they go into these job training programs. We are going to have to take some kind of an allowance. There has to be some sort of an allowance for these kinds of special circumstances.

Mr. President, do we want to say after 5 years no more assistance and you have got to go back into this kind of home regardless of the circumstances? What happens if a woman cannot find a home? What happens if she cannot go into a job training program, no fault of her own? What happens if her children who were also beaten or who saw their mother beaten over and over and over again and are emotionally scarred and she needs to spend more time at home with those children? What happens, Mr. President, if she has to leave the State to get away from her batterer because she is not safe in that State, which means she has to essentially uproot herself, go to another State, start her life all over again, which makes it much more difficult, we all know, to find a home, to find a job, to get back on your own two feet?

Mr. President, if we were going to say that a young mother under 18 years of age should not automatically assume that she can set up a separate household and receive full support. She should stay with her family. Fine.

But what if she is in an abusive home? What if she herself has been battered? Do we want to force her back into that home? Do we want to say that is the only place she can be?

Mr. President, there are many other examples that I could give. But as we search for solutions that will help women and children escape poverty, we must understand the violence that exists in the lives of many economically vulnerable women and their children. And this whole debate on welfare reform that we have had is just one more glaring example of the lack of awareness, I think on our part, unfortunately, and understanding of domestic violence. The whole community has to be there to support these women and their children. Otherwise, they are not going to have the opportunity to become safe, and then to become strong and independent and healthy families. But the burden cannot just be put on the mother.

It seems to me that this debate is the same old "it's not my business" excuse. But it is our business. We must all be involved. Domestic violence is a root cause of violence in our communities, and we must do everything we can to end the cycle of violence. And I will tell you right now, this will not be real welfare reform if it is one-size-fits-all, if we do not at least set some sort of national standard, giving States maximum flexibility to make sure that there is an exemption for women and children who come from such families, or at least some modification.

I say to my colleagues, do not put women and children in a situation where they have no other choice but to go back into a home where their very lives are at risk.

Unfortunately, that is not melodramatic. I know this. I know it from the work that Sheila, my wife, and I do in Minnesota with so many women and children who have been victims of domestic violence. We just lost sight of this.

Last year we passed the Violence Against Women Act. In one short year, has so much changed that we are no longer willing to look at these special concerns and circumstances of the lives of these women and these children?

Mr. President, this is an amendment that deals with the protection of battered individuals. Usually they are women and children; sometimes men. This is an amendment that I think builds into this piece of legislation an extremely important exemption. It is an amendment, if passed, which will be nationally significant because the U.S. Senate will be saying that we understand the magnitude of the problem of domestic violence, of family violence in our Nation, that we understand that in this welfare reform bill there ought to be some sort of allowance set at the national level with States having maximum flexibility so that we do not lose sight of the fact that all too many of these welfare mothers having come from violent homes, having been battered, they may not be able to adhere to all these requirements. And we need to allow for that. We need to have either an exemption or some kind of modification, letting States administer it.

And, Mr. President, if we do not pass this, we are unwittingly going to put many women in a situation where they are going to have to return to that violent home, to that dangerous home, because they have no other alternative. We are cutting them off the welfare. And the welfare was the only alternative they had to that abusive relationship. We cannot go backward in that way.

Mr. President, I do not see anybody here on the floor that seems interested in debating me on this. For tonight, I will take that as a sign of unanimous support. But I leave the floor full of optimism that I will get good bipartisan support for this amendment.

I would yield the floor to my colleague from North Carolina.

Mr. FAIRCLOTH addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

AMENDMENT NO. 2609

Mr. FAIRCLOTH. Mr. President, I call up my amendment No. 2609 and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, amendment No. 2609 now becomes the pending question before the Senate.

The Senator from North Carolina is recognized.

Mr. FAIRCLOTH. Mr. President, I have heard a number of my colleagues remark today that there is no evidence which connects welfare with illegitimacy. And I would say first that not even President Clinton agrees with this. President Clinton believes there is a link between welfare and the collapse of the family.

I ask unanimous consent a list prepared by the Heritage Foundation of 19 recent academic studies on the link between welfare benefits and out-of-wedlock births be printed in the RECORD.

There being no objection, the studies were ordered to be printed in the RECORD, as follows:

STUDIES OF WELFARE AND ILLEGITIMACY

The following is a list of nineteen studies conducted since 1980 on the relationship of welfare to illegitimacy. Fourteen of these studies found a relationship between higher welfare benefits and increased illegitimacy.

1. Bernstam, Mikhail S., "Malthus and Evolution of the Welfare State: An Essay on the Second Invisible Hand, Parts I and II", working papers E–88–41, 42, Palo Alto, CA, Hoover Institution, 1988

Research by Mikhail Bernstam of the Hoover Institution at Stanford University shows that childbearing by young unmarried women may increase by 6 percent in response to a 10 percent increase in monthly welfare benefits; among blacks the increase may be as high as 10 percent.

2. Hill, M. Anne, and O'Neill, June, "Underclass Behaviors in the United States: Measurement and Analysis of Determinants", Center for the Study of Business and Government, Baruch College, February 1992

Dr. June O'Neill's research has found that, holding constant a wide range of other variables such as income, parental education, and urban and neighborhood setting, a 50 percent increase in the monthly value of AFDC and Food Stamp benefits led to a 43 percent increase in the number of out-of-wedlock births.

3. Fossett, Mark A., and Kiecolt, K. Jill, "Mate Availability and Family Structure Among African Americans in U.S. Metropolitan Areas", Journal of Marriage and Family, Vol. 55, May 1993, pp. 288–302.

This study of black Americans finds that higher welfare benefits lead to lower rates of marriage and higher numbers of children living in single parent homes. In general, an increase in roughly $100 in the average monthly AFDC benefit per recipient child was found to lead to a drop of over 15 percent in births within wedlock among black women aged 20 to 24.

4. Winegarden, C.R., "AFDC and Illegitimacy Ratios: A Vector-Autoregressive Model", Applied Economics 20 (1988), pp. 1589–1601.

Research by Dr. C.R. Winegarden of the University of Toledo found that half of the increases in black illegitimacy in recent decades could be attributed to the effects of welfare.

5. Lundberg, Shelly, and Plotnick, Robert D., "Adolescent Premarital Child Bearing: Do Opportunity Costs Matter?", discussion paper no. 90–23, Seattle: University of Washington, Institute for Economic Research, 1990.

Research by Shelley Lundberg and Robert D. Plotnick of the University of Washington shows that an increase of roughly $200 per month in welfare benefits per family causes the teenage illegitimate birth rate in a state to increase by 150 percent.

6. Ozawa, Martha N., "Welfare Policies and Illegitimate Birth Rates Among Adolescents: Analysis of State-by-State Data", Social Work Research and Abstracts, 14 (1989), pp. 5–11.

Research by Dr. Martha Ozawa of Washington University in St. Louis has found that an increase in AFDC benefit levels of $100 per child per month leads to roughly a 30 percent increase in out-of-wedlock births to women age 19 and under.

7. O'Neill, June, "Report of Dr. June O'Neill" (affidavit in lawsuit concerning the New Jersey family cap policy.)

This study using data from a controlled scientific experiment show that the New Jersey "family cap" limit on AFDC benefit significantly reduced out-of-wedlock births among mothers on AFDC. The cap was shown to reduce the monthly value of aggregate welfare benefits for an AFDC family by 4 percent and to result in a 19 to 29 percent reduction in the number of illegitimate births to AFDC recipients.

8. An, Chong-Bum, and Haveman, Robert, and Wolfe, Barbara, "Teen Out-of-Wedlock Births and Welfare Receipt: the Role of Childhood Events and Economic Circumstance", The Review of Economics and Statistics, May 1993.

This study finds large effects of welfare on illegitimacy. A 20 percent increase in welfare benefit levels across all states would increase the probability of teen out-of-wedlock births by as much as 16 percent. (However, the authors state that these findings should be treated cautiously because they were not proven to be statistically significant.)

9. Murray, Charles, "Welfare and the Family: The U.S. Experience", Journal of Labor Economics, Vol. 11, pt. 2, 1993, pp. 224–262.

This study finds positive effect of welfare on illegitimacy.

10. Plotnick, Robert D., "Welfare and Out-of-Wedlock Childbearing: Evidence from the 1980's", Journal of Marriage and the Family (August 1990), pp. 735–46.

This study finds positive effect of welfare on illegitimacy.

11. Schultz, Paul T., "Marital Status and Fertility in the United States", The Journal of Human Resources, Spring 1994, pp. 637–659.

This study finds higher welfare benefits significantly reduce marriage rates.

12. South, Scott J., and Lloyd Kim M., "Marriage Markets and Nonmarital Fertility in the United States" Demography, May 1992, pp. 247–264.

This study finds a positive relationship between welfare and the percentage of births which are out-of-wedlock.

13. Robins, Phillip K and Fronstin, Paul, "Welfare Benefits and Family Size Decisions

of Never-Married Women", Institute for Research on Poverty: Discussion Paper, DP #1022-93, September 1993.

This study finds that higher welfare benefits lead to more births among never-married women.

14. Jackson, Catherine A. and Klerman, Jacob Alex, "Welfare, Abortion and Tennage Fertility", RAND research paper, August 1994.

This study finds higher welfare benefits increase illegitimate births.

STUDIES WHICH FIND NO RELATIONSHIP BETWEEN WELFARE AND ILLEGITIMACY

1. Acs, Gregory, "The Impact of AFDC on Young Women's Childbearing Decisions", Institute for Research on Poverty, Discussion Paper #1011-93.

This study finds a small relationship between higher welfare benefits and total births to white women, but no significant relationship between welfare and illegitimate births. The study does, however, show that being raised in a single parent home doubles the probability that a young woman will have a child out-of-wedlock.

2. Duncan, Greg J. and Hoffman, Saul D., "Welfare Benefits Economic Opportunities and Out-of-Wedlock Births Among Black Tennage Girls", Demography 27 (1990), pp. 519-35.

This study finds no effect on welfare on illegitimacy.

3. Ellwood, David and Bane, Mary Jo, "The Impact of AFDC on Family Structure and Living Arrangements", Harvard University, March, 1984.

This study finds no effect on welfare on illegitimacy.

4. Keefe, David E., "Governor Reagan, Welfare Reform, and AFDC Fertility", Social Service Review, June 1983, pp. 235-253.

This study found no link between welfare and illegitimacy.

5. Moffitt, Robert, "Welfare Effects on Female Headship with Area Effects" The Journal of Human Resources, Spring 1994, pp. 621-636.

This study does not find that higher welfare benefits lead to higher illegitimacy.

Mr. FAIRCLOTH. Fourteen of these studies found the relationship between higher welfare benefits and increased illegitimacy. Five studies do not. The most interesting of these is the study by Dr. June O'Neill, Director of the Congressional Budget Office.

This study shows that a 50-percent increase in the monthly value of AFDC and food stamp benefits leads to a 43 percent increase in the number of out-of-wedlock births.

A 50-percent increase in monthly benefits leads to a 43 percent increase in out-of-wedlock births. My pending amendment modifies the provision in the Dole bill which allows welfare funds to be used for cash aid to unmarried teenage mothers. The amendment is designed to disrupt the pattern of out-of-wedlock childbearing that is passing from one generation to the next.

My amendment seeks to stop giving cash aid that rewards multigenerational welfare dependency. I believe the Federal Government should never have been in the business of saying to a 16-year-old girl, "Have a child out of wedlock and we will mail you a check each month."

Earlier I offered an amendment which would have prohibited Federal funds to be used for cash aid to unmarried teenage mothers unless a State legislature specifically voted to use Federal funds in that manner.

Under my previous amendment, Federal funds could be used for in-kind benefits or vouchers and State funds could be used for cash. But Federal funds could not be used for cash to teenage mothers unless the legislature of that State so voted to do so.

I think that is a fine amendment. But some people feel that even this is too great a restriction on State flexibility. So I present another amendment which allows Federal cash aid to teenage mothers but only under certain circumstances.

The amendment I am now offering is a modification of the provisions in the Dole bill on giving Federal cash aid to minor mothers.

Let us be clear about what the Dole bill currently does. The bill says you can use Federal funds to give vouchers and in-kind benefits to an unmarried teenage mother, or you can use funds to put the mother in a supervised group home. That is fine, and we all agree. But the Dole bill goes on to say, however, that you can use Federal funds to give cash benefits to unmarried teenage mothers if that teenage mother resides with her parent. If she resides with her parent, she can receive Federal cash benefits.

Let us be very clear what type of household we are putting cash into. In this household, there will be three people: First, the newborn child; second, the unmarried teenage mother of that child; and third, the mother of the teenager, the adult who is the grandmother of the newborn child.

The problem with this scenario is that the adult woman, the mother of the teenager and the grandmother of the new child, the woman upon whom we are counting for adult supervision of the unmarried teenage mother, is very likely to have been or be an unmarried welfare mother herself. It is very likely that this adult mother gave birth to the teenager out of wedlock some 15 years ago and raised her, at least in part, on welfare. This is the grandmother.

The young teenager, in giving birth out of wedlock, is simply repeating the pattern and model which her mother gave her.

Let me provide the Senate and the public with a few statistics:

A girl who is raised in a single-parent home on welfare is five times more likely to have a child out of wedlock herself than is a girl raised with two parents and receiving no welfare—a girl raised in a single-parent home on welfare is five times more likely than a girl raised in a two-parent family.

Roughly two-thirds of all unwed teenage mothers were raised in broken or single-parent homes—two-thirds of all unwed teenage mothers.

What we have here is a pattern of illegitimacy and a pattern of welfare dependency which passed from one generation to the next. The amendment I am now offering is intended to break up this lethal and growing pattern of multigenerational illegitimacy and multigenerational welfare dependency.

The current amendment follows the same basic rule on teenage mothers as the Dole bill, which says you cannot use Federal funds to give cash aid, a check in the mail, to a teenage mother unless that teenage mother resides with her parents or another adult relative.

My amendment maintains that same basic rule, but adds one limitation. The limitation states that an unmarried teenage mother cannot receive Federal cash aid, a check in the mail, if the parent or adult relative the teenager is living with herself had a child out of wedlock and has recently received aid to families with dependent children. The whole approach here is to break the cycle of children born out of wedlock.

The teenage mother cannot get cash aid, cannot get a check in the mail if she is residing with a parent who herself has had a child out of wedlock and was a welfare mother. The teenager in these circumstances could receive vouchers or federally funded in-kind aid, but she could not get a federally funded check in the mail if she is living with an adult who has had a child out of wedlock and then been a welfare mother herself.

This restriction applies only to Federal funds. A State can use its money to send a check in the mail to anyone it wants. But what we are doing is trying to break the cycle. American communities are being torn apart by multigenerational illegitimacy and multigenerational welfare dependency. In some communities, the out-of-wedlock birth rate is now reaching 80 percent. We need to disrupt this pattern of out-of-wedlock births from one generation to the next.

But instead of disrupting the pattern, the Dole bill reinforces it, even sanctifies it. It pretends the answer to teenage illegitimacy is to have the teenager reside with her mother who, in many cases, was the source of her problem in the first place.

If you vote against this amendment, you are voting to give cash aid to multigenerational welfare households. If you vote against this amendment, you are voting to subsidize and promote multigenerational illegitimacy. If you vote against this amendment, you are voting to continue the very policies that are destroying and ruining lives of young women and children and condoning and promoting multigenerational dependency, illegitimacy, not welfare reform. And what we are here for is to reform welfare.

No society has ever survived the collapse of the family within that society. No nation can survive the death and destruction of its families. Families in America are on the brink of collapse. Let us not push the American family into its grave with this type of welfare program.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition? The Senator from Connecticut is recognized.

Mr. LIEBERMAN. Mr. President, I am going to withhold for a moment. I see my friend and colleague from North Dakota with whom I am cosponsoring the next amendment coming onto the floor. It is appropriate that he call up the amendment and begin the debate.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

AMENDMENT NO. 2528

Mr. CONRAD. Mr. President, I thank my colleague from Connecticut. I call up the Conrad-Lieberman amendment No. 2528.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The pending question is now the Conrad amendment.

Mr. CONRAD. Mr. President, this amendment promotes a comprehensive strategy to prevent teen pregnancy. If there is one problem I think Senators on both sides of the aisle recognize is right at the center of the problems of this Nation, it is the dramatic increase in teen pregnancy. I have talked to my colleagues before and shown a chart that shows that in 1992 there were more than a half million births to teen mothers, and 71 percent of those births were to unmarried parents. I have also shown my colleagues, in the past, a chart that demonstrates that our Nation's teen birth rate is now more than twice as high as in any other industrialized country.

The Federal Government, we believe, has a responsibility to assist States in developing effective teenage pregnancy prevention strategies, and that will help prevent the cycle of poverty that results.

The Conrad-Lieberman amendment does the following: It provides $300 million, over 7 years, for States to develop adult supervised living arrangements. I call them "second chance homes." They are places where young, unmarried mothers can get the structure and supervision that they need to turn their lives around.

Second, the Conrad-Lieberman amendment retains the requirement added to the Dole bill that teen parents live with their parents or another responsible adult and that they stay in school. There are a lot of things we do not know. But we do know that for a teenage parent to have a chance, it is critically important that they be in an adult-supervised setting and that they stay in school. If there is one thing that is clear, it is that.

Mr. President, the Conrad-Lieberman amendment also establishes a national goal to reduce out-of-wedlock pregnancies to teens by 2 percent a year. It encourages communities to establish their own teenage pregnancy prevention goals. It establishes a national clearinghouse to share what we learned about what works to prevent teenage pregnancy. It establishes a 5 percent set-aside for teen pregnancy prevention strategies to be developed by the States.

Finally, the Conrad-Lieberman amendment calls for the aggressive prosecution of men who have sex with girls under the age of 18.

Mr. President, there is compelling evidence that two things have an enormous impact on long-term welfare dependency: teenage pregnancy and lack of a high school education.

According to the General Accounting Office, in 1992, teen mothers comprised 42 percent of the welfare caseload. We also know that 63 percent of those on welfare for more than 5 years have less than a high school degree.

Mr. President, if you start analyzing the problem of welfare dependency, you have these two factors, and they are very, very clear: teenage pregnancy and lack of a high school education.

If we are really going to reform welfare, we absolutely must confront both of these issues. We must reduce teen pregnancy, and we must require that those teen parents get an education to equip them to care for their children. The Conrad-Lieberman amendment does both.

Mr. President, I want to highlight our provision related to second-chance homes. The second-chance home provision is supported by a significant sector of the religious community, including the U.S. Catholic Conference. Second-chance homes are commonsense responses to the teen pregnancy crisis.

I want to acknowledge the tremendous work of the Progressive Policy Institute, and specifically Kathleen Sylvester, in developing this recommendation. Second-chance houses are innovative, adult-supervised living arrangements that should be available to teens who are unable to live with a parent or other responsible adult. Communities can use second-chance homes to create a structured living environment that provides education and training, early childhood intervention and development, case management, and family counseling.

We have a bipartisan agreement that States should provide adult-supervised living arrangements. The requirement in this bill, however, could unintentionally place teen parents at risk of being forced to live in abusive households.

Mr. President, if we are not going to force young girls with infants of their own to live in households with abusive parents, then we must provide appropriate alternatives to be available.

As currently written, the Republican bill acts as a disincentive to States serving these young girls at all. Why? First, when the authors of the Republican bill added the adult-supervision requirement, they failed to add any funding to make it work. Second, because it costs money to develop structured environments like second-chance homes, States are much more likely to use the very limited funds in the bill for other purposes.

Therefore, the most vulnerable teenage girls with their own children will simply not be served by most States. This is why the U.S. Catholic Conference, Catholic Charities, and the National Council of Churches support my proposal. In fact, last Friday, Catholic Charities sent a letter to every Member of the Senate supporting my approach. Their letter said:

> The first principle in welfare reform must be: "Do no harm."

The letter went on to say:

> We support Senator CONRAD's amendment, which not only would require teen mothers to live under adult supervision and continue their education, but it would also provide the resources for second chance homes to make that requirement a reality.

The majority of teenage mothers will live with their parents, with legal guardians, with relatives, or foster parents. In some cases, however, there will be no place for the teen mother and her child to go. That is the reason and that is the purpose for second-chance homes.

Teen mothers are extremely difficult to place in foster care. Most foster families simply do not want them. Go to any foster-care agency and ask them what is the most difficult placement they have. Other than the severely disabled, there is nothing more difficult to place in a foster-care home than a young mother with her own child.

Certainly, none of us want to deny needed aid to a teen mother and her child when no suitable adult is available to look after them. We must provide the means for States and local communities to create structured living environments for these teens. It takes money to develop the kinds of structured settings that will be needed.

The Conrad-Lieberman amendment provides funding for States to develop such settings—these second-chance homes—where teenage mothers can have the attention, the discipline, supervision, and structure that they need in order to have a second chance.

Our Nation simply cannot sustain a system that locks millions of children into a lifetime of poverty because their parents were teenagers when the children were born. Confronting teenage parenthood requires a comprehensive approach, with maximum flexibility for States. That means providing the resources to enable States to prevent teenage pregnancies, including the development of second-chance homes.

During the debate on the Coats amendment earlier today, there was much discussion of the need to capitalize on community resources. Many local institutions and individuals do a remarkable job of instilling positive values in teen mothers and others in need. One of the best examples that I have seen is Covenant House. Covenant House is a Catholic-based charity that provides an excellent model of what second-chance houses can be. When Covenant House takes young mothers under their wing, those mothers seldom experience a second pregnancy until they are ready to provide for that child.

The strategies in the Conrad-Lieberman amendment can provide a significant boost to our national attempt to combat teen pregnancy. I hope our colleagues will support it.

In closing, Mr. President, let me just say that among the most compelling testimony before the Finance Committee was the testimony of Sister Mary Rose McGeady. The sister came before the Finance Committee, and she described to us what they have experienced at Covenant House, taking in hundreds and hundreds of young mothers, unmarried, and their children.

She said over and over, our experience has been if you provide structure, if you provide supervision, if you give these people a vision, that they can lift themselves beyond their current circumstances and have a chance to succeed in life.

If they can make the best of the opportunities that they have, if they see a path through education to make something of their lives, they will not have a second child until they are ready to care for that child.

I wish my colleagues could meet this sister who runs Covenant House, see the sparkle in her eye and see the spring in her step and see the vision that she has of what we can do to really achieve results in combating teen pregnancy.

She has been there. She has been in the trenches. She has fought the fight. She has done it successfully.

We ought to make certain that model is available in every State in this Nation. That would do something serious about combating a problem that I think all of us understand to be one of the critical problems facing this Nation.

I thank the Chair. I yield the floor.

Mr. LIEBERMAN. Mr. President, I thank my friend and colleague from North Dakota for his outstanding statement and for the work that we have done together to fashion this amendment. I am proud to be his cosponsor of it.

Mr. President, there has been considerable talk in this debate about the problem of babies born out of wedlock, particularly babies born out of wedlock to teenage mothers, as well there should be. It has a direct and powerful effect on the welfare caseload.

The fact is that although teenage mothers themselves make up only a small percentage of the welfare caseload today, only 8 percent in 1994, the fact is over half of the mothers on welfare today had their first children when they were teenagers.

The problem of teenage pregnancy is central to the problem of welfare. To state the obvious, but sometimes it is important to do so, this has been constructed as a program of aid for dependent children. More than half of the mothers on welfare have dependent children because they had babies when they were teenagers and there is no father around.

Obviously, we are focusing on this problem of babies being born out of wedlock and babies being born to teenagers out of wedlock because it is a more broadly threatening social catastrophe that is affecting our country.

Take a look at the statistics with regard to prisoners in our jails today and you will find a startling number of them were born to mothers out of wedlock and grew up with no fathers in the house.

In trying in this bill to do something about teenage pregnancy and babies born out of wedlock generally, I think we are trying to do something not only to reform the welfare system but to make ours a safer society, and in the process to save some of these children born to poor teenage mothers, born to a life which in most ways is without hope for the mother and for the child.

Senator CONRAD and I are thinking of fashioning the broadest approach to this problem of teenage pregnancy that will be part of this debate. I hope our colleagues on both sides will look at the details of this proposal and join in trying to create, really, a national crusade against teenage pregnancy.

A national crusade which can be directed by a Federal official which will feature a national clearinghouse so that States and private and philanthropic charitable institutions can share ideas about programs that have to cut the rate of teenage pregnancy. A national campaign which will set national goals and give each State the goal of reducing their teenage pregnancy rate by 2 percent a year. It does not sound like a lot, but today it is skyrocketing in the other direction.

Create a goal of involving 25 percent of the communities in America in teenage pregnancy prevention programs. Then to put some money behind all this to take the existing title 20 program which covers a host of social programs for the poor, and mandate that each State use 5 percent of the money they receive under title 20 for teen pregnancy prevention activities.

It is that critical a problem facing our country. Mr. President, the birth rate for single teenage parents has tripled since 1960 from 15 to 45 births per 1,000 unmarried girls age 15 to 19.

More than a third of the babies born in America today are born out of wedlock. It is a startling change in sociology in the family and reflects a startling change in values.

We spend a lot of time talking about why it has happened. I will come back to this in a while. Some of it has to do with the messages that the media are sending our kids as they grow up. Some of it clearly has to do with an increasing sense of sexual permissiveness which we see by these stunning numbers is not without its consequences and its victims. Its victims are the poor babies born to poverty with a teenage mother without a father in the House.

What kind of hope can that poor child have to make something decent of his or her life. I think the change in values has had its consequences here.

I fear that the welfare system has all been part of the problem. I do not say it has created the problem. It is much more complicated than that. There is no question in my mind based on reading I have done, based on conversations I have had with young women who have had babies out of wedlock when they were teenagers, that the existence of the welfare system has in some measure facilitated, enabled, made more likely, the birth of babies out of wedlock to teenage girls.

We all pay the price for that consequence. That is why dealing with the problem of teenage pregnancy, dealing with the problem of babies born out of wedlock, has to be a central part of our effort at welfare reform.

Each year about 1 million teenage girls become pregnant and confront the consequence of that pregnancy. About half of those girls have their babies. Half a million babies, roughly 40 percent have abortions, and another 10 percent of those teen mothers miscarry.

Well over 60 percent of the teenage mothers are single. They are not married. For those single mothers who raise their babies, the consequences are obviously grim, particularly if the mother does not have at least a high school education. Of course, many who are below the age of 17 or 18, who have their babies, do not have a high school education.

As William Raspberry, columnist, noted in the Washington Post, children born to parents who had their child born out of wedlock before they finished high school and reached the age of 20 are almost guaranteed a life of poverty. Bearing a child in your teens as a single mother is simply wrong, and our society must give that message to men and women who are responsible for the birth of those babies to single teenage mothers. It is contrary to our values. It is contrary to our interests. It is contrary to the interests of those

young women and the children they bear.

Unfortunately, our current welfare policies too often send the opposite message, and that is why they need to be changed. We need to require teenage parents who receive welfare to live at home with their own families or, if that is not appropriate, in adult supervised group homes, some of the Second Chance Homes that Senator CONRAD has described so well, that will be enabled by the amendment that we offer tonight.

In my conversations with young women who gave birth to babies out of wedlock when they were teenagers, and I asked them, "Why did you do it," I must say, first, I was impressed by the overwhelming percentage of these young women I spoke to who said, "Senator, I love my baby, but I wish I had not had the baby when I was so young."

I would say, Why did you do it, as you look back at it?

Some said the obvious: "I did not protect myself when having sex."

Others said, "I did it in part because I knew if I had a baby I would be able to go on welfare, and that welfare check would enable me to move out of my house and to become independent."

Any of us who have raised teenage kids know that they all want to be independent. The idea that these young women would have incorporated a value system, or lack of such, that would lead them to want to have a baby to get the welfare check to move out of their houses, that is a sad commentary on where we are. And that is why it is so critical to require, and send a message, that that is not going to be the way out of the house anymore. If you are a teenage mother and you want welfare, you have to live at home or you have to live in a supervised group home setting, such as the superior Second Chance Homes that Senator CONRAD has described. We ought to require them to stay in school and to take parenting classes. It is no excuse, and it ought not to be an excuse, for young women who have babies to drop out of school.

The amendment that we have proposed tonight builds on this foundation by establishing the national goals that I have talked about and the clearinghouse. Let me briefly discuss these provisions.

I think if we want to make significant progress on this issue, we have to set national goals. That is what Senator CONRAD and I have done in this amendment. We have to be able to measure our progress toward those goals. This amendment establishes that goal, reducing out-of-wedlock teen pregnancy rates by 2 percent a year.

The purpose of the national goal is to galvanize the efforts of the public and private sector to address this problem. As President Clinton said on August 9 when he visited North Carolina, "Teenage pregnancy is not a problem that we in Government alone can fix." How right he was. President Clinton said he is working to get all the leaders of all sectors of our society involved in this fight. I think we, in this welfare reform legislation, can add momentum and support to his effort by establishing clear national goals that both private and public sector organizations can aim at and rally around. We have to put our energy where it is most likely to make a difference in children's lives.

In shaping policies to achieve the goals we are setting out here, I think we have to keep in mind some of the terrible facts about pregnant teenage girls. As Kathleen Sylvester of the Progressive Policy Institute said in a recent Washington Post op-ed, "Most teenage mothers come from poor, dysfunctional families. Many have been neglected or abused." This is the cycle of poverty and dysfunction that continues from generation to generation. Ms. Sylvester reported that as many as two-thirds were victims of rape or sexual abuse at an early age. And, sadly, the abuser was often a member of their household. That is why we are talking about Second Chance Homes tonight. As a consequence, teenage mothers start out extremely vulnerable to the sexual advances of older men.

Mr. President, there was a recent study done by the Alan Guttmacher Institute that produced results that we have discussed here on the floor before, but I found them startling. Bringing together a number of studies, they reported that half of the babies, at least half of the babies born to teenage mothers, were fathered by an adult man. I must say that my vision of this problem was that these children being born to teenage mothers were the result of casual, irresponsible sex with two teenagers. Not so, according to this study—in most cases, in more than half the cases. The younger the mother, according to the study, the greater the age difference between her and the father of the baby.

Among California mothers, in one study of mothers aged 11 to 15—between the ages of 11 to 15—women, young girls, who would carry the baby to birth, 51 percent of them said that the fathers of those babies were adults, were over 18.

There are studies we could go on and on with. But the point is that these are appalling findings, and they cry out to us to try to do something to protect these young women.

When we talked about these statistics a few days ago on the floor, the senior Senator from New York, Senator MOYNIHAN, stood and made a point that I found very provocative and also, I think, insightful, which is that, tragically, too often we are dealing here with girls growing up in poor families without a father in the house, and part of what that means is that there is not an older man in the house to protect his daughter from the unwanted advances of another older man, one of the roles—a role so primal that we tend not even to think about it—that the father in an intact family normally will play.

So part of this amendment that Senator CONRAD and I have introduced tries to begin to get at this problem by expressing the sense of the Senate that the States, which are the main enforcers of criminal law in our society, have to look again at laws that we barely ever mention these days that used to be very much a part of our lives and the life of the courts, which is to say laws against statutory rape, to say it is a crime for an adult man to have sex with a woman who is a minor.

Perhaps, again, as part of the sense that consenting people should do whatever they want sexually, the general tone of sexual permissiveness in our society, these laws have either been amended down or out of existence, or if they are in existence, they are rarely enforced today.

I suggest to my colleagues that Senator CONRAD and I include in this appeal to the States raising the question of whether it might not just be one deterrent to an adult man—who, in this case, could well be a sexual predator, an aggressor with a younger woman—to think twice if that man knows that the statutory rape laws are going to be enforced once again in that State.

In trying to put some money behind the general program that we have outlined, I mentioned the use of title XX funds. The amendment would require that 5 percent of the title XX social services block grant be committed by the States to teenage pregnancy prevention programs, and that is not a small sum. That equals $140 million a year to begin to help the States try a multitude of responses to this social disaster that is occurring in our society and that is affecting every one of us, whether we see it or feel it immediately—certainly affecting us in the increasing rate of violent crime among young people.

Mr. President, a second and final word about the idea of a clearinghouse which the amendment would establish at the Department of Health and Human Services.

We are dealing here with a profound, complicated, difficult social problem. There are a lot of ways to go at it—law enforcement, and statutory rape is one. But we need to encourage the widest array of experiments with dealing with this problem at the State level. And the aim there is to then share that program with programs that work with other States and philanthropic and private charitable groups around the country.

The fact is that we are beginning to know something about what works.

The Henry Kaiser Foundation several months ago published a monograph that reviewed the effectiveness of 123 sex education curricula programs and their policy implications. Their work was supported by a diverse group of organizations, including the American Enterprise Institute, the Alan Guttmacher Institute, the Centers for Disease Control and Prevention, and the Population Council. And the study's key findings include the following:

Sex education in school-based health centers do not increase frequency of sexual activity among high school students or reduce the age when they first become sexually active. Some school-based clinics, but not all, actually delayed the age of first sexual activity, and increased contraceptive use resulting in fewer pregnancies.

Programs that are effective focus on three behaviors: One is to protect oneself sexually. The second is abstinence. And the third is how to resist the pressure—peer pressure, or pressure from an individual, a man—to have sex.

To be effective, the school-based sex education programs have to be tailored to the populations they serve.

That was the message of those studies.

Finally, and very critically, the studies concluded that sex education programs should not be value neutral. Those that gave students sexual information and told them to make their own judgments were not effective in changing behavior.

In other words, we have to stop our sense of neutrality, a sense that anything goes in this society, because there are consequences when anything goes, and they are terrible for our society. We have to preach and teach a very clear message. Sexual activity at an early age, activity that results in teenage pregnancy, is simply wrong. It ought not to happen. It is unacceptable. It is a disaster for the mother involved, for the baby involved, and for our society.

That is the kind of information that I believe can be shared through the clearinghouse that would be set up under this amendment.

Mr. President, let me say a final related word, and that is about the role of the media. I think the media has had generally a negative effect on values in our society. And I think they could have an extremely positive effect because their impact on our kids is so powerful.

A growing body of evidence, in my opinion, supports the conclusion that the pervasiveness of sexual messages on television, in the movies, and in music has contributed to the dramatic rise in the number of teenagers having sex, and in turn the rise in teen pregnancies.

Mr. President, I need not belabor this point. But I saw a recent study about the number of sex acts that one can see on an average day watching soap operas, the number of sexual references that one can hear and see in prime time on television, and the number of sexual topics that are discussed, usually not normal behavior, on TV talk shows. I think the cumulative effect of all of that, as Senator MOYNIHAN has said so well, is to define deviancy down to the behavior that was not only not done much in earlier time but certainly not talked about, and hold it up as a kind of standard of normalcy; at worst, something to giggle about. We are paying the price for that. I think it is time that those who put shows on television and who run the networks appreciate it.

The most compelling evidence in this connection is a poll that was taken of children themselves by a group that I believe was called Children Now, a survey of children aged 10 to 16. And when asked the question 62 percent of them said that they believe that what they saw on television encouraged them to have sex earlier than they should have. I hope that those who put those shows on television will begin to think more seriously about the consequences of what they are putting on. It is exactly these concerns that were part of what led Senator CONRAD and I to introduce the amendment on the telecommunications bill that passed with a strong bipartisan support that would call on TV set manufacturers to put in what we call the "choice chip," to let parents choose what their kids will see and that requires TV networks to rate the programs that they put on.

Mr. President, the electronic media have enormous influence, and they could use it for good, and in many cases they have used it for good. One of the best known examples I think is the way the entertainment industry embraced the campaign against drunk drivers through a conscious effort to weave portrayals of designated drivers into a number of TV shows in addition to the outright commercial messages against drunk driving. The entertainment industry and television particularly played a critically important role in helping to reduce the number of alcohol-related fatalities.

There is simply no reason that they could not make a similar commitment on behalf of the campaign against teen pregnancy.

I think another way we can encourage the media to become allies is in the use of direct advertising such as was done in the campaign against drunk driving. And the Maryland State government provides us with an excellent example of the potential that lies in this approach. In 1988 it embarked on what might be called a media blitzkrieg to combat teen pregnancies. The State was saturated with advertisements on television, radio, billboards, buses, as well as videos, brochures, and special lessons that were distributed in schools. More than $7 million was spent on the TV and radio spots alone. In the first 3 years of the campaign, birth rates and abortions dropped. And by 1991 the State reported a 13-percent decrease in teen pregnancies, which in this field is startling, and in this case very encouraging.

The media campaign could not singlehandedly account for those changes. But it is clear to me—and I think most who have looked at this study—that it played a very significant role in that reduction.

Perhaps the best indication of its effectiveness was the fact that in a followup study 94 percent of the students and teachers at five middle schools in Maryland knew about the campaign, and could repeat the campaign slogans verbatim.

So we have a real problem on our hands here, and we are all suffering the consequences of it.

This amendment that Senator CONRAD and I have put forward tonight is a an attempt to put our Nation on the course of an urgent, intense, and comprehensive campaign to cut down the rate of teenage pregnancies.

I thank my colleague from North Dakota for the partnership that we have once again established. It is always a pleasure and an honor to work with Senator CONRAD, particularly, as is normally the case with us, in a good cause.

I thank the Chair and I yield the floor.

Mr. CONRAD. Mr. President, I thank my colleague from Vermont, Senator LIEBERMAN, who has been a real leader in the whole challenge of dealing with what is happening with respect to teenage pregnancies.

I, first of all, want to apologize to him. I moved him from Connecticut to Vermont. I was just in Vermont. It is a beautiful place, a wonderful setting, and I am quick to identify Senator LIEBERMAN with places that are pleasant. But in fairness, he belongs in Connecticut. And Connecticut is lucky to have him.

I have enjoyed our partnership on this challenge because I think of teenage pregnancy as really a tragedy for America. It is a tragedy for the children, it is a tragedy for the young women and girls, and it is a tragedy for the entire country.

Mr. President, one in three children being born in America today are born out of wedlock. In some cities in America, two out of three children are being born out of wedlock. Tonight, we are in the Capital City of the United States. In this city, two out of three children born this year are being born out of wedlock.

What chance do they have? What chance do their mothers have? We know, according to the GAO, that 42 percent of the welfare caseload in this

country is teenage mothers or girls or women who had babies when they were teenagers. It is central to the problem we face.

I wish to share a couple of vignettes from an example of a second-chance home before I end because I think these vignettes are important. They are real life experiences. This is what is happening to the people about whom we are talking. This is a story about Sherice.

Sherice, now 20, has a 2-year-old daughter and no one to help out. She, too, was trapped early in the cycle of welfare dependency.

Sherice grew up on welfare, and was made responsible for caring for her 10 younger siblings by her alcoholic mother. At 17, she dropped out of high school when she became pregnant with her daughter Jamila. She was forced to take her daughter out of the family's overcrowded apartment to live with reluctant relatives. Sherice's options ran out when this living situation also proved inhospitable, and she found herself with no one to turn to and became homeless.

Sherice and Jamila were referred to an American Family Inn in Queens, NY. After obtaining her GED through the on-site high school and completing a 4-month job training apprenticeship in food services, Sherice found a place to live and set out to find a job. With the help of the American Family Inn's employment specialist, Sherice entered the New York Restaurant School with a partial scholarship in order to follow her dream of becoming a chef.

She recently completed her demanding cooking classes and soon will begin an externship in a local catering company. She plans to use the skills she learned to form her own catering company after she graduates in October 1995.

Mr. President, this is someone who, because of a second-chance home, has her life together, who is a productive member of society because of the structured, supervised setting she was able to experience in a home.

A final vignette.

Elena. Elena is an 18-year-old single mother with a 2-year-old son, Andrew. She has never been married, has never lived independently, and she receives public assistance. She represents a typical mother residing at American Family Inn.

Elena has a fractured and unstable past. She shuffled between her mother and father until age 5, when she was placed in the first of three foster homes due to physical abuse from her mother. At age 14, Elena moved in with her boyfriend and his parents and at age 16, dropped out of high school to give birth to her son. Her relationship with her baby's father deteriorated as he continued and increased his drug use. She left with her son and moved back in with her mother until her stepfather forced her to leave.

Elena had no other choice but to enter the shelter system. Prior to arriving at an American Family Inn in Manhattan, Elena had lived in an emergency assistance center, a short-term shelter and a welfare hotel. The day after she enrolled in the on-site programs, including the alternative high school where she is working toward completing her GED, the licensed day care center where her child is being socialized to the norms of education and the independent living skills workshops where she is learning topics such as parenting, budgeting, nutrition, and family violence prevention.

Elena has also begun intensive job readiness and job training. Each afternoon she fulfills her internship requirement as a teacher's aide in the on-site day care center. She is expected to complete the program in the next several months, move into her own apartment and either find full-time employment or a enroll in a community college to pursue higher education.

This is Elena's statement, and I quote:

I feel this is a place where I can get my life together. I'm getting my education and learning to work. My mother never cared if I went to school and she never told me about having babies or being a parent. The people here and the programs here are helping me. I'm learning to be a teacher's assistant so that I can go to college and start my own business and get off of public assistance. I needed this chance.

Mr. President, I do not think there is a Member in this Chamber whose heart is so cold that they are not moved by a story like that one—somebody who grew up in an abusive home, had a child at much too early an age, forced into homelessness, and who now, because of a second-chance home, is getting an education, wants to start her own business, wants to get off public assistance and make something of her life.

That is the promise of what we can accomplish by focusing on this critical challenge to America's future. We can make a difference. We can do something that will lead to a different result than a life of poverty and dependence, and we can do it by action tomorrow. That is when the vote will be held.

I urge my colleagues to support the Conrad-Lieberman amendment.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

AMENDMENT NO. 2581

Mr. JEFFORDS. I ask to call up amendment 2581 for immediate consideration.

The PRESIDING OFFICER. That amendment is now the pending question. The Senator from Vermont is recognized.

Mr. JEFFORDS. I thank the Chair.

Mr. President, I am here to try and undo what I think is a very unfortunate area of the bill which attempts to do something which we would all agree with, and that is to reduce the number of illegitimate child births in this country and to hopefully reduce the number of abortions. I think it was one certainly sponsored with all the hopes and dreams of being able to do that. However, I oppose it because I find that it would be most counterproductive and would result in an entitlement being created which would in effect not establish any policy that will really accomplish the goals for which it was conceived. Thus, I have sponsored an amendment to strike the so-called illegitimacy ratio from the welfare bill.

Last night, we heard from Senator DOMENICI and others about how conservative social engineering is no better than liberal social engineering. We all know that Federal strings often do not produce the desired behavior modification and can even produce unintended negative results. I hope my colleagues will join me in my opposition on those grounds.

Throughout this debate, we have discussed frequently the importance of ending entitlements. It may surprise some of my colleagues to learn that this provision creates a new entitlement and will be funded by the terms "such sums as necessary."

Now, CBO has scored the costs at $75 million over the 7 years. I think their estimate may well be very, very conservative. Because of the way I read the provision, I calculate this new entitlement could cost as much as $1.6 billion per year by the year 2000, if all our States reduce their out-of-wedlock birth rates without reporting higher abortion rates.

This gives me pause, especially for reasons I will outline about unreliable statistics.

But let me point out also just to verify that figure, which may seem to be outlandish to start with, the reason for that is that all you have to do is one time go below the 1995 base, and for the rest of the period, providing you do not go back up, you will get this bonus which is in it. And if each State does that, we will have the figure I gave you of about $1.6 billion per year.

The provision entitles States whose proportion of in-State—I emphasize "in-State"—out-of-wedlock birth rates have decreased without an increase in their State abortion rates to either an additional 5 percent of their block grant if the birth rate has decreased by 1 percent or 10 percent if the birth rate decreases by 2 percent or more. And it only has to do it once providing it stays below the baseline. So if a State's out-of-wedlock births decrease as a proportion of their total births, they can receive as much as 10 percent more than their base cash assistance and child care block grant.

I do not understand why we want to create a new entitlement, especially for States that need the dollars less. In other words, if you have decreased your problem, you end up with more money for perhaps as much as the term of the whole bill, of our period which we are covering here on the budget. We all know that out-of-wedlock birth rates show a strong acceleration with the rate of welfare dependency. If there are more children born to single parents, there will be more need for State and Federal assistance. And that is part of why we are so concerned.

But rather than try to construct, actively work toward, lower out-of-wedlock birthrates, this ratio seems completely backward since it sends more money to States that need it less. And States that for whatever reason experience higher out-of-wedlock birthrates and need it more, they cannot tap into the newly created entitlement.

Mr. President, I have here a letter from Catholic Charities USA in opposition to this illegitimacy ratio. There are some who tried to get this into the pro-life, pro-choice area here. I would just point out—and I will read this letter now into the RECORD because I think it is so helpful in letting everyone know that this is a group which obviously is a pro-life group. This is addressed to Senator DOLE.

Dear Senator DOLE:

Catholic Charities USA is deeply concerned about the proposed illegitimacy ratio bonus being put forward as part of welfare reform legislation in the current Congress. The proposal is another speculative venture being imposed upon the entire country and its poorest families without test, trial, or experiment.

Our fear is that State governments, in a time of drastic funding cuts and escalating human need, will resort to the family cap, teenage mother exclusions, and other drastic measures, all in the illusive hope of garnering additional millions of dollars of funding. (The funding itself will have to be cut from other needed programs or services in our zero-sum budget situation.)

I would emphasize that. There is no provision for the funding in this bill. It will have to come from existing sources otherwise, and it is an entitlement, meaning that it must come. I will continue with the letter.

Those measures, while as yet unproven to cut birth rates, are far more likely to produce increased abortions, as the failed New Jersey family cap experiment already has shown, and to hurt poor children and families. And the proposed illegitimacy ratio bonus contains no penalty for increasing abortion rates in States which experiment with the lives and well-being of their poorest families.

No church community has been as vigorous as our own in support of human life or of sexual abstinence outside of marriage. And no community has as broad experience as our own in Catholic Charities in working with women who are pregnant and unmarried and with their children. We urge you to remove the proposed illegitimacy ratio from the pending legislation in the interest of sound family policy.

Signed by Father Fred Kammer, president of Catholic Charities USA.

I ask unanimous consent that letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CATHOLIC CHARITIES USA,
Alexandria, VA, September 12, 1995.

Senator ROBERT DOLE,
Majority Leader, U.S. Senate, Washington, DC.

DEAR SENATOR DOLE: Catholic Charities USA is deeply concerned about the proposed illegitimacy ratio bonus being put forward as part of welfare reform legislation in the current Congress. The proposal is another speculative venture being imposed upon the entire country and its poorest families without test, trial, or experiment.

Our fear is that state governments, in a time of drastic funding cuts and escalating human need, will resort to the family cap, teenage mother exclusions, and other drastic measures, all in the illusive hope of garnering additional millions of dollars of funding. (The funding itself will have to be cut from other needed programs or services in our zero-sum budget situation.) Those measures, while as yet unproven to cut birth rates, are far more likely to produce increased abortions, as the failed New Jersey family cap experiment already has shown, and to hurt poor children and families. And the proposed illegitimacy ratio bonus contains no penalty for increasing abortion rates in states which experiment with the lives and well-being of their poorest families.

No church community has been as vigorous as our own in support of human life or of sexual abstinence outside of marriage. And no community has as broad experience as our own in Catholic Charities in working with women who are pregnant and unmarried and with their children. We urge you to remove the proposed illegitimacy ratio from the pending legislation in the interest of sound family policy.

Sincerely yours,

FR. FRED KAMMER, SJ,
President.

Mr. JEFFORDS. We all know that out-of-wedlock birth rates show a strong correlation with the rate of welfare dependency. If there are more children born to single parents, there will be more need for State and Federal assistance. That is part of why we are so concerned. But rather than try to constructively work toward lower out-of-wedlock birth rates, this ratio seems completely backward.

Mr. President, I also understand, as well as reading the letter from the Catholic Charities, that the Catholic bishops oppose a similar provision in the House. They are concerned, as I am, that rather than effecting positive behavior change by decreasing out-of-wedlock pregnancies, this new entitlement would encourage out-of-wedlock and out-of-State—I emphasize that for your memory later on when we talk about how these things are worked—out-of-State abortions. And I would also add that this may well mean back-room abortions or some of those that we will not be able in any way to take note of in the requirement for statistics here.

Because States do not qualify for the funds by showing an increase in their in-State abortion rates, there are a few ways to influence those numbers. The most obvious is underreporting. According to the Centers for Disease Control, several States currently have inaccurate, incomplete, or even completely estimated abortion rates. I think California is one of those.

So here we are going to establish a baseline which will be used for the length of the bill that will allow States to collect on figures that are totally or may be totally inaccurate. As we might expect, it is difficult to encourage, particularly without a mandate to report, complete reporting of abortions. We will be looking at situations which will already be in being which have had no reporting requirements. That is, that we use a base year of the year 1995, which is almost over with and will be by the time all of this gets into being. So we are setting up a base year here for which we have no reliable statistics whatsoever and using that to determine an entitlement program. Women who receive abortions want to maintain their confidentiality, and abortion providers, particularly in the face of recent violence, may want to maintain their anonymity. So the current numbers are not accurate. We have no adequate baseline to compare to, and we have no uniform reporting system in place.

If we mandate reporting without providing significant funds for the States to do this, we will be sending an unfunded mandate to the States.

Another way to influence these statistics would be to toughen State requirements for obtaining an abortion. In some States—this is important to remember—in some States as many as 40 percent or more of their in-State abortion rates are from people who reside outside the State. So if you know you are going to maybe get millions or hundreds of millions of dollars here by getting abortions performed across the borders, there is going to be tremendous incentive to accomplish that. Making abortions more difficult to obtain could obviously help to lower the abortion rate. This provision would offer a cash incentive to States for tougher abortion laws possibly resulting in unreported abortions or more abortions out of State or more abortions under improper conditions.

All in all, accurate abortion statistics will be extraordinarily difficult, if not impossible, to obtain. We must struggle with what constitutes an abortion or an induced pregnancy termination. Does the so-called morning-after pill count? What about a routine D & C that may or may not have involved a pregnancy? How will we know if women take a large enough dose of oral contraceptives to induce menstruation? It is an off-label use but expels any pregnancy that may be there

and induces menstruation. How are we going to count those? Are we going to require women to report that?

There is currently no standard definition, nor accurate or agreed-upon reporting procedure, especially for what we will have to use as the baseline year.

Currently, States define their terms and define how they report. Some States only report hospital procedures, and public health officials extrapolate the other numbers. In the case of at least one State, the most recent figures available are completely estimated and are not based upon any report. States that currently report high numbers or broadly drawn definitions stand to gain, while States that have been underreporting will have no alternatives but to continue.

We are setting up something here which was well-intentioned I am sure, but is so open to manipulation or intrusion into the personal lives of people that I cannot believe it can be supported by anyone that has examined it, notwithstanding the wonderful intentions.

Mr. President, I believe this new entitlement is illogical and unwieldy. It could potentially cost quite a bit of money, but the criteria for qualification are unclear and difficult to quantify accurately. In this provision, we are attempting the very kind of social engineering that we have railed against and tried to prevent. I hope my colleagues will join me in voting to strike this illegitimacy ratio.

As I said earlier, I know it was well-intentioned, and I would be willing to work with those who are behind it to see if there are other ways that we could reduce teenage pregnancies in particular. I know that from studies that show there are many things that we could do and also enhance our educational system by increasing the school days and more child care, all the kinds of things that can try to bring about the kind of society that does not seem to promote or to enhance the ability for young people to have pregnancies out of wedlock.

Mr. President, I am ready to yield the floor. I do not see anyone present at this time. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ABRAHAM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABRAHAM. Mr. President, I rise tonight in support of an important element of the Dole welfare reform package. This provision—known as the illegitimacy ratio bonus—will help, I believe, the fight against the chronic problem of illegitimacy without increasing the tragedy of abortion. I urge my colleagues to vote against striking it from the reform package.

We now know, Mr. President, that the dramatic increase in out of wedlock births is a chief cause of welfare dependency and a chief cause of a number of other social pathologies.

Children brought up without the benefit of two parents are six times as likely to be poor and to be poor longer than other children. They are two to three times as likely to have emotional and behavioral problems, more likely to dropout of school, become pregnant as teenagers, abuse drugs, commit crimes, and even commit suicide.

This makes illegitimacy a driving force behind welfare dependency and that is doubly tragic because our welfare system is a significant cause of illegitimacy.

Welfare, as currently constituted, creates a vicious cycle of dependency. Children have babies and turn to the welfare system in a failed attempt to become "independent." Then their babies, in turn, too often end up on welfare.

And illegitimacy has reached epidemic proportions in America. By the end of this decade, 40 percent of all American births will take place without the benefit of marriage.

Mr. President, I believe we must stop the spread of this epidemic. It is destroying our cities and more importantly, it is destroying far too many lives.

One problem we face in fighting out of wedlock births is that no one here in Washington really knows what constitutes the total solution to the problem. Circumstances in our various States and localities vary too widely for any single one size fits all Washington strategy to succeed in lowering illegitimacy.

Thus, I believe our best course is to encourage the States to implement their own strategies to lower out of wedlock births. This provision, by giving bonuses to States that lower illegitimacy ratios, would do just that.

Mr. President, reducing illegitimacy is just not a function of the welfare system. The States must look beyond welfare reforms; they should pursue educational reforms, tax reforms, such things as enterprise zones and others to create jobs and economic opportunity, things of that sort. They should explore ways to set up counseling centers to encourage, among other things, responsible behavior and discourage out of wedlock births. All of these need to be part of the solution, not just changes in the welfare system. And that is why we think this bonus provision is the right approach, because it will encourage creativity on the part of the States in pursuit of reforms in all of these areas.

Some have expressed concern about the abortion language in this bonus provision. But I just point out the following:

One, this provision does not affect any abortion laws.

Two, it does not take a position, pro or con, on the issue of abortion.

Three, it does not penalize or punish any State in terms of their Federal funding.

Four, it brings about no changes in the requirements as to the reporting of names of individuals having abortions, or anything along that line.

Now, as I have talked to Members of the Senate, both those who are pro-life and pro-choice advocates, I have not found anyone who wants to see the rate of abortions go up. Indeed, pro-choice advocates tell me they want abortions to be safe, legal, and rare. And I believe them. To me, "rare" means as many, or fewer, abortions than we have today—not more. Therefore, no one should find this bonus provision objectionable. It is designed to encourage States to experiment with various new strategies to reduce illegitimacy, except the strategy of encouraging more abortions.

I know some think that somehow that would produce new restrictions at the State level and, in some way or another, on abortion. All I can say is this, Mr. President. In this country, the abortion debates have been raised in the State Houses for 20-plus years. If there were going to be restrictions, they would be imposed on the basis of the debates we have already had. I do not believe the potential availability of these bonus dollars—only available if somehow this remarkable increase in illegitimacy were reduced—would be the final factor in causing a State to take action to change, in any way, or make their abortion laws more restrictive.

In my judgment, this provision gives us a constructive means by which to attack a serious problem. By giving goals to the States, and rewards for meeting those goals, we will encourage them to develop strategies for fighting out of wedlock births. By leaving to the States the formulation of particular rules and programs, we will encourage experimentation in a variety of strategies aimed at addressing a variety of circumstances.

Without increasing abortions, this provision will reduce illegitimacy, and thereby reduce the welfare rolls and increase opportunity for everyone.

I urge my colleagues to vote against striking it from the bill.

I yield the floor.

Mr. JEFFORDS. Mr. President, I commend the Senator from Michigan for his excellent statement, and there is little that I disagree with in what he said.

However, I point out that he has not, in any way, answered any of the questions I raised about how this would work and that the figures I gave were

inaccurate. That is, very simply, that if a State, one time, reduces its rates in order to comply with the bill and never does anything more, but holds them where they are, they would be able to get the full 10 percent bonus for the full term of the bill, which could mean as much as—totally, if all the States did it, $1.6 billion a year; and that there is no provision in the bill for that money, other than it is entitlement and therefore it would be taken from other areas in order to fund it. I think that is one area that ought to be remembered.

Secondly, also, the base year—there was no correction in the facts I gave about the fact that there is no accurate data available for the 1995 base year, which would be used for that. Nor was there any contradiction to my statement that by shifting out of wedlock births to other States, or Canada, or wherever else, it would not be possible to reach that ratio with no real decrease in out of wedlock births; nor the fact that there is no definition here for abortion, so that the results of what would happen for a State could well be determined entirely upon abortion definitions, which are nowhere included, and vary from jurisdiction to jurisdiction.

I would like to join my good friend from Michigan in trying to find ways that we could provide workable and appropriate incentives to be able to reduce the out of wedlock births, especially among our young people. But I just urge my colleagues to realize that this one has some serious problems, and I hope they will remove it from the bill with my amendment.

I yield the floor.

Mr. ABRAHAM. Mr. President, the Senator from Vermont and I are good friends and are in large agreement on most of this I see, but obviously there are certain things that we do not have full agreement on.

Let me comment on a couple of the points that were made. First and foremost is that before any benefits or bonuses are going to be realized, we really do have to produce something that has not been produced in this country in a long time. That is a decrease in the number of out-of-wedlock births.

Now I think I am probably one of the Members of this Chamber who has voted time after time to make sure we do not spend the taxpayers' money unwisely and have tried very hard here to establish what I think are priorities for spending.

I, too, am concerned whenever we spend money here, even if it is $75 or $80 million here and in a budget of $1.5 trillion.

The reason that I am supporting this so strongly is because I can think of very few spending priorities that we could possibly establish that would be more important to the future of our Nation and would more directly address the problems we confront than the priority of encouraging a nationwide effort to reduce illegitimate births.

I think in the long run there will be more savings than spending because to the extent that we end this problem, we reduce this problem, there will be benefits for many.

Separately, when we set priorities here I do not disagree with the Senator from Vermont when we talk about job training and education and so on. I think this priority is one that Americans across the board agree on ought to be at the top of our list. These dollars only get spent if we succeed in addressing the problem. They do not get spent if we fail.

I think at least in my State most people would say that establishing this type of incentive system is the step in the right direction of trying to bring attention to this problem and trying to give States the kind of encouragement I think they need to change and to adopt a broad set of policies—not just welfare policies but education policies. As I said in my remarks, perhaps changes in tax codes, perhaps inviting private entities to play a greater role in helping teens at risk and so on.

I think this will be the outcome. I hope that our colleagues who have talked, and many, many have talked about the out-of-wedlock birth problem will come to see this.

I do not think anybody has the perfect solution. The reason I so strongly support this one is that it does not dictate to any State what it can or cannot do. If a State does not want to collect the data, if a State does not want to try to deal with the problem, it is not under any mandate to do it. It will not be punished.

If States take up the call, if States join the effort, if States make positive progress, if States actually reduce the rate of illegitimate births, I think a reward of the sort suggested here is a step in a positive way in terms of setting our priorities.

I yield the floor.

Mr. JEFFORDS. Mr. President, I end by saying that I agree what we should do is have help in the States on ways to change behavior such that we no longer have out-of-wedlock births.

I am afraid what this will do which States are good at, that is, in fact, very innovative in the ability to fiddle with statistics and records and gain billions of dollars. That, the States have always been very, very good at.

AMENDMENT NO. 2625

Mr. ROBB. Mr. President, I rise today in support of the Children's Fair Share Amendment, which has been offered by my friend and colleague from Florida, Senator GRAHAM.

As we debate ways to reform our welfare system, we should constantly remind ourselves that what we have before us is more than just words and rhetoric, more than just political points to score, more than just sound bites for the next town meeting. What we have before us in reality, Mr. President, is the quality of life of the children who live in poverty in United States of America.

These children did not make any mistakes, Mr. President. They did not lose a job or miss a house payment or have their marriage crumble around them. By and large, they do not have the capacity to fix the economic problems their families struggle with each day—even if they wanted to and tried.

They were just born poor—or their families became poor. And they are our future, Mr. President.

This amendment is a valuable addition to this debate because it is based on a simple premise which I believe is fair and unassailable. It takes the money we have decided as a nation to spend on poverty programs and it allocates that money to our fifty states based on where poor children actually live.

The only variations from this premise is the inclusion of a small state minimum allocation, and the inclusion of a 50-percent annual transition period.

Otherwise, our Federal dollars go to where poor children live. Funding allocations are updated annually and based on census data reflecting the 3 previous years numbers of children living in poverty.

Mr. President, without this amendment, block grants are frozen in the underlying bill at fiscal year 1994 funding levels. While this advantages high benefit, low growth States, it severely disadvantages low-benefit, high-growth States, like Virginia. I am extremely concerned that the supplemental funding included in the bill, while helpful, will simply not be enough to enable my fast-growing State to responsibly meet the needs of our most vulnerable children.

I served as Governor of Virginia, between January, 1982 and January 1986. During that time, the Commonwealth increased its AFDC benefit twice—once in 1984 and once in 1985—and it has not increased its AFDC benefit since. Between 1970 and 1994, Virginia's AFDC benefit lost 58 percent in value when adjusted for inflation.

To me, locking in enormous funding disparities between States is bad public policy. It disadvantages poor children in many States, Mr. President, children who deserve a better quality of life, children who should expect to receive one from this Congress.

Mr. President, we can argue welfare reform on ideological grounds. We can argue over how much money we should spend. But Mr. President, when we argue about where that money should go, that is an easy one. It should go to the children.

I urge my colleagues to support this important amendment.

Ms. MIKULSKI. Mr. President, I rise today to speak in opposition to the proposed fair share amendment to change the amount of Federal funds States receive for welfare reform.

I cannot stand here today and vote for a formula that will penalize my State of Maryland in order to reward other States that have been unwilling to help themselves over the past decades.

Our current welfare system says to States that if you are a poor state, we will give you more Federal dollars. We do this through a Federal match. Some States are told that for every dollar you spend, we will give you a dollar. That is what Maryland is told. Other poorer States are told that for every dollar you spend, we will give you two. That may seem unfair, but we have done that because we know some States are less well off. Even under this system, States must still decide just how much they want to spend. Some States, including Maryland, I am proud to say, have placed a high priority on ending poverty.

The amendment before us will take all the Federal dollars we currently spend and give more to States that have a history of little commitment to welfare reform. We do that by taking from States that have made a great effort at ending poverty. This is not an approach that will create welfare reform. Instead we will force States to fight each other for limited resources.

Mr. President, changing the funding formula in a bad bill is a lot like moving around the furniture on the deck of the *Titanic*. We need to do more then that. We need real welfare reform. One step in that direction is to vote this amendment down.

COMMUNITY COLLEGE PARTICIPATION UNDER WORKFORCE DEVELOPMENT ACT

Mr. LEVIN. Mr. President, the original Workforce Development Act provisions contained in the bill before us made dramatic changes to the Federal role in job training and vocational education. Initially, I had some serious concerns about the insufficient attention that the bill paid to the importance that community colleges play in the delivery of those services. I had two major concerns. First, that representatives from community colleges should actively participate in the development of the work force education plan. Second, I submitted that the head of the State's community college system should be included as a member of the collaborative process that the Governor must work with while writing the State strategic plan.

Mr. President, today I am pleased to say that due to the cooperation and collaborative efforts of my colleagues on the Committee on Labor and Human Resources, those concerns have been addressed.

Mr. President, I would like to enter into a colloquy with Senator KASSEBAUM to clarify the modifications to the work force training provisions of the bill.

Mr. President, community colleges are one of the major providers of adult job training and postsecondary vocational education in this country. These institutions have close and positive relationships with secondary schools, elected officials, and local business and industry leaders. There are over 1,200 of these institutions, located in every corner of each of our States including over 30 from my home State of Michigan. As you know, these institutions are extremely concerned about their ability to continue to provide high quality education and training services that will be beneficial to the community, in light of the consolidated work force system created by the bill reported out of the Committee on Labor and Human Resources.

With this in mind, I would like to get a clarification of the role that community colleges will play in the new job training system. I would like to ask my distinguished colleague from Kansas, the chair of the Labor and Human Resources Committee, Senator KASSEBAUM, what role do you envision for these institutions in the new job training system?

Mrs. KASSEBAUM. This legislation is clearly intended to provide Federal financial support for the education and training of all segments of the work force in each State. The bill provides States the flexibility to set up structures that best serve their citizens and I expect that States will continue to use the community college as a primary resource, due to their past successes.

Mr. LEVIN. I believe that postsecondary vocational education is a very important aspect for economic growth in our society. Postsecondary vocational programs allow an individual to build on the education he or she received in high school, provide higher level skills, and equip the individual with a foundation for promoting a more constructive future. Because of the advancements of technology, community colleges are a necessary force for training and retraining individuals who could become displaced workers. In Michigan, community colleges are the major educators for high-skilled, high-waged workers. The average annual earnings for an individual with an associate degree is over $5,000 a year higher than that for someone with only a high school diploma.

Because of the importance of postsecondary vocational education, I must ask if this bill will alter the course of postsecondary education? And, if so, how will this bill affect postsecondary vocation education?

Mrs. KASSEBAUM. This legislation consolidates programs that have provided support for both secondary and post secondary educational programs. The legislation is designed to expand, improve, and modernize quality vocational education at both the secondary and postsecondary levels. As in current law, however, States will remain free to choose the percentage of funds they will allocate to secondary and postsecondary vocational education.

Mr. LEVIN. The State planning process for the overall strategic plan and the State education plan will guide the State's work force development policy. The major stakeholders should have input into this process. Because of the strong involvement that community colleges have had across the country in providing education and training, community colleges should play a pivotal role in the development of the State work force plan. Is there a role for the community college system in this regard?

Mrs. KASSEBAUM. The State work force education plan is to be developed by the elementary and secondary agency of the State. That agency must collaborate with the postsecondary agency of the State, including community colleges. I expect this to be meaningful collaboration, leading to appropriate support for secondary and postsecondary education programs in the State. In addition, State officials responsible for postsecondary education and community colleges are members of the collaborative process the Governor must work with on the State strategic plan.

Mr. LEVIN. I thank my colleague from Kansas for her support and attention to this matter.

WELFARE REFORM, LET US TREAD CAREFULLY

Mr. HATFIELD. Mr. President, today, as I stand here in the U.S. Senate, the winds of change swirl around the dome of the Capitol, and surround the body of the House and the Senate. Do not let the winds of change, however, cloud our judgment and prevent us from carrying out our duty to protect life and liberty.

The Republican call to harness these winds of change is refreshing. I agree that there are many issues which need to be addressed. There is a vicious cycle of impoverished parents who raise children in poverty. Those children who do not have adequate access to quality education, which would break the cycle of dependency, continue to spin a wheel of poverty, and languishing there for the remainder of their lives.

In fiscal year 1994, there were over 5 million families on aid to families with dependent children (AFDC), over 14 million individuals. I ask you how many of those do you surmise were children; 9.5 million children were on AFDC in fiscal year 1994. Two-thirds, two-thirds were children, a truly disturbing number. You will hear these numbers again and again as we debate welfare reform. I reference these figures to impress upon your conscience

that we are dealing with individual people and not numbers. We must understand the links of poverty in order to understand and break the chains of poverty. According to the U.S. Census Bureau, you are below the poverty line when income falls below three times the cost of an inexpensive, yet nutritionally adequate food budget for a nonfarm family. For a family of three in 1994 the figure was $12,320. How many of us could provide decent clothing, food and shelter for ourself and two children for $12,320?

We need welfare reform, but we first need to address the root problems of poverty; lack of education, lack of affordable and adequate child care, and access to upward social and economic mobility and stability. A successful society allows its citizens the opportunity to educate themselves, to increase their opportunities and knowledge. It is of no benefit to society to remove welfare recipients and place them into jobs with no upward mobility. Without the prospects of advancement they can only maintain the status quo at best and as history has taught us the cycle possesses a powerful habituation to welfare.

We need to find good jobs for able bodied people in our society. Yes, the United States can assist its poor and offer them a helping hand, but we cannot continue our present pace of entitlement spending. To become competitive with the world market we must educate all in our society. There needs to be interaction between the States and the Federal Government to work in a complementary partnership to solve these problems. Packaging our problems in a nice box and ribbon and passing them onto the States with no accountability and no direction will not make them disappear.

Over these past years in Oregon, the Governor's office, county commissioners, and the Oregon Workforce Quality Council are just a few of the many people who have worked together to enact job training legislation in Oregon, which has been one of the most successful States in the Nation in moving people from welfare dependency to work. Oregon has chosen to link public assistance functions with welfare-to-work services, providing a seamless link amongst the differing human resource agencies. Oregon has made landmark progress with the integration of education, employment and training programs, but the Federal Government also must be a part of restructuring the system. That is why I am pleased to see that my Workflex Partnership Demonstration project has been included in the underlying Dole amendment. This demonstration project allows the Secretaries of Education and Labor to designate up to 6 States in which Federal authority will actually be transferred to the State so that the States may make waivers of Federal law in the job training and education arena. Given the decline in discretionary dollars in the budget, State and local flexibility which promotes performance over paperwork is an integral ingredient for success. Mr. President, we are making progress in Oregon and I do not wish to be set back in our efforts.

What about the States which are not as progressive as Oregon? How do we ensure they care for their poor? I agree with the underlying performance measures in the Dole amendment which sets Federal standards in the form of performance-based outcomes and provides States guidance not mandates. This will provide an incentive to States to be innovative in their State programs by rewarding them with a performance bonus. There are those who argue that it is perverse to reward those States which reduce the number of people on their welfare roles, but I think it just as perverse to reward those States who do nothing to reduce their welfare roles. In all areas, our Federal system penalizes States that are progressive and reduces them to the standards of the lowest common denominator. Our citizens expect better, they deserve better.

Mr. President, I want to make it clear that I am committed to working with all interested parties in reforming our welfare system. I believe those that can work should work. As chairman of the Appropriations Committee I have directly experienced the struggle we face to allocate funds for our complex array of domestic programs. This discretionary funding pays for the operation of all three branches of the Government. It pays for the roads and bridges of our transportation infrastructure, the loans that go to provide public housing, student loan assistance and small business assistance, our national parks, and many more purposes which have nearly universal support. These funds have been drastically diminishing over the years, while the entitlement programs have grown. These entitlement programs put further pressure on the Appropriations Committee to make difficult funding decisions. While entitlement programs continue to grow, less and less will be available for discretionary programs.

Our commitment to bettering the standard of living for those in poverty must not waiver. The Federal Government should encourage not impede innovation and creativity in the States and private sector. I look forward to working with my colleagues to fashion a bipartisan solution that addresses these goals.

AMENDMENT NO. 2488

Mr. ROCKEFELLER. Mr. President, unfortunately, because of a lack of time yesterday, I was unable to give my entire statement regarding Senator BREAUX's partnership amendment. I feel strongly on this issue and would like to have my entire statement on the importance of maintenance of effort submitted for the record. I know that earlier today, a modification was accepted on this issue. While I strongly preferred adoption of the Breaux amendment, I am glad to see some, meaningful progress on this key point.

Anyone who argues for welfare reform talks a lot about responsibility. This Senator does, too. Welfare should not be a hand-out for people in search of a free lunch and a way to avoid work. Welfare reform should change the rules to turn government help into something that steps in for just as long as it takes to get a job or back into the workforce.

But welfare is also about the responsibility of states and the Federal Government to be honest partners. States and the Federal Government have always shared the responsibility for the poorest families and children who exist everywhere in America. Unfortunately, the bill before the Senate is an invitation to States to back out of their end of that responsibility. When that happens, when States are released from their financial role in welfare, some tragic results may be in sight.

One reason debating welfare reform is so frustrating is that we find ourselves immersed in terms and language that do not exactly roll off the tongue. It is also a topic where it is far too tempting to simplify life, and attempt to divide the country between good people and bad people. But we all know that is not how life works. And we should know and acknowledge on this Senate floor that a welfare reform bill should deal honestly with the realities of America—not just the stereotypes or the examples that do offend all of us.

I say that because this amendment raises an issue that does not leap into a sound-bite. It tries to preserve a concept called "maintenance of effort" that is clumsy in wording but very clear when it comes to responsibility for welfare's future. The purpose of this amendment is to continue a genuine division of labor among the states and the Federal Government for poor families and children. It tries to prevent an abdication by State governments from their role in keeping a safety net under children and deserving parents.

A welfare reform bill should free up states from needless bureaucracy and micro managing, no question about it. But welfare reform should not egg on states to back out of their commitment to their poor families and children. This amendment is the answer. It very clearly says to states, "you keep your end of the bargain, and the Federal Government will keep its end."

As a former Governor, I sincerely doubt that the Governors who might like the welfare bill before us just the way it is— which frees them from the obligation they have always had—would ever propose the same deal when

they help communities in their States. Matching requirements, cost-sharing, burden-sharing, whatever you want to call it—this is a basic part of making sure that responsibility is spread around for government's functions.

The majority leader introduced some modifications to the Republican welfare package just before the recess, and one involves the claim that he added a "maintenance-of-effort" provision. It is very weak, too weak—we can and we must do better.

The majority leader's so-called compromise lasts for exactly 3 years, and asks States to put 75 percent of a portion of their AFDC spending in 1994 back into their future welfare reform system.

In fact, the Dole provision adds up to asking all states to invest $10 billion a year for just the first 3 years, with no basic matching requirements whatsoever for the last 2 years on this bill. This leaves a gaping hole in the state's share if compared to the current arrangement across the country. The result could be that $30 billion disappears from the safety net for families and children.

What is worse is the cleverness attempted in how a state's share is calculated. The Dole bill would allow states to "count" State spending on a whole bunch of programs simply mentioned in this bill—states would be able to get credit essentially for their spending on food stamps, SSI, and other programs that help low-income people toward meeting the requirement; that means that money for programs not specifically directed to financing basic welfare for children could easily count towards the so-called "maintenance of effort." Again, this is an invitation to States to back out of keeping up their basic, historical responsibility for children.

Remember, it is the children who are two out of every three people who get basic welfare. It will be the children who will be hurt when states back out of their spending on welfare because Congress passed a bill that invites them to do just that.

Our amendment does not ask States to raise a penny more for welfare. Federal-state partnerships and matching arrangements are common sense—they promote accountability, and they are used to finance Medicaid, highways, clean water efforts, and education programs. And on this topic of welfare, here is a bill that now says Uncle Sam will write the billion dollar checks, but Governors can write all rules. If that means backing out of the States' responsibility for poor families and children, be our guest.

Right now, State revenues represent about 45 percent of the resources spent in America on welfare. If the Federal Government is about to send almost $17 billion a year to States in a block grant with tremendous flexibility, we should ask States to contribute their fair share. This is the way to promote fiscal accountability and responsibility.

Mr. President, we should simply correct this part of the bill with the BREAUX amendment—an amendment that requires States to maintain their historical responsibility for millions of children and families.

The stakes are high and serious. We know that when children are abandoned, the future of the rest of America is dimmed.

In other words, there are real consequences to rejecting this amendment. Without States maintaining this investment, there will not be enough money—not nearly enough—for child care for parents to move to work or for the job placement and training that some parents need to get into real jobs. A few years from now, we will be on this floor wondering how a bill packaged with such bold promises of change and reform resulted in so little—and perhaps we will be here trying to repair the damage of backing the country out of an honest, direct commitment to children.

The Breaux amendment calls for the preservation of a solid, honest Federal-State partnership for the long-term. We must change the welfare system and the rules. We are all ready to be tougher about who gets welfare. That means giving States much greater flexibility. But it is irresponsible to send checks to states accompanied with an invitation to back out of their own commitment to families and children.

Personally, I believe that taxpayers are willing to help feed and shelter the children who are not the ones to blame for their parents' unemployment or poverty. Surveys even show that 71 percent of Americans believe needy families should get benefits as long as they work. Time and time again, it is clear that work and responsibility are what the public cares about. They are not asking us to solve problems with slogans and gimmicks.

Real reform is what we should deliver. Let us be serious about welfare reform, let us be honest, and let us deal in the real world of America. We should make some necessary changes to the Dole bill to ensure that every parent who can work, does. We should keep needy children in our hearts, and keep compassion for them in this bill. And we should preserve the basic idea that states must do their part.

This should be a bipartisan amendment, and it deserves support. This is exactly when and where the political rhetoric should be put aside, and where the bill should be changed to continue into the future a true partnership between states and the Federal Government that will help determine what kind of country we will be.

MORNING BUSINESS

Mr. JEFFORDS. Mr. President, since there are no further Senators planning to offer their amendments tonight, I ask unanimous consent that there be a period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, the skyrocketing Federal debt, now soaring toward $5 trillion, has been fueled for a generation now by bureaucratic hot air—and it is sort of like the weather—everybody talks about it but almost nobody did much about it until immediately after the elections in November 1994.

But when the new 104th Congress convened this past January, the U.S. House of Representatives quickly approved a balanced budget amendment to the U.S. Constitution. On the Senate side, all but one of the 54 Republicans supported the balanced budget amendment—that was the good news.

The bad news was that only 13 Democrats supported it—which killed hopes for a balanced budget amendment for the time being. Since a two-thirds vote—67 Senators, if all Senator's are present—is necessary to approve a constitutional amendment, the proposed Senate amendment failed by one vote. There will be another vote either this year or in 1996.

Here is today's bad debt boxscore:

As of the close of business Tuesday, September 12, the federal debt—down to the penny—stood at exactly $4,964,465,905,748.40 or $18,845.20 for every man, woman, and child on a per capita basis.

CONGRESSIONAL ACCOUNTABILITY ACT

Mr. GRASSLEY. Mr. President, earlier this year, Congress overwhelmingly passed the Congressional Accountability Act which was signed into law by the President. The purpose of the act was to clarify that we cannot pass laws applying to the private sector that do not apply to us as well.

After many years of pursuing this legislative initiative, I was pleased with the final outcome of the act.

A concern has been raised that the welfare bill before us today is not clear on the issue of congressional coverage.

If the leader would indulge me, I would like to enter into a colloquy addressing this concern.

Mr. Leader, is it the intent of the legislation in section 453(a) of title 9, the child support enforcement title of the bill, to include Senators and Congressmen in the definition of "any governmental entity"?

Mr. DOLE. That is correct.

Mr. GRASSLEY. Are committees of the House of Representatives, the Senate, and joint committees included in the definition of "any governmental entity"?

Mr. DOLE. Yes, that is the intent.

Mr. GRASSLEY. Are any other offices headed by a person with final authority to appoint, hire, discharge, and set the terms, conditions, or privileges of employment of an employee of the House of Representatives or the Senate covered by the definition of "any governmental entity"?

Mr. DOLE. Yes, that is correct.

Mr. GRASSLEY. Finally, are the Capitol Guide Board, the Capitol Police Board, the Congressional Budget Office, the Office of the Architect of the Capitol, and the Office of the Attending Physician also included in the definition of "any governmental entity"?

Mr. DOLE. Yes. The intent of the term "any governmental entity" is to cover every level of government—in effect, Federal State, or local government; and, to cover every branch of government—in effect, executive, legislative, judicial, or administrative.

Mr. GRASSLEY. I thank the leader for this clarification.

I would not want Congress to pass a law with such far-reaching effects without the requirements applying equally to Members as well.

MESSAGE FROM THE HOUSE

At 12:39 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House had passed the bill (S. 895) to amend the Small Business Act to reduce the level of participation by the Small Business Administration in certain loans guaranteed by the Administration, and for other purposes, with amendments; that it insists upon its amendments and asks a conference with the Senate on the disagreeing votes of the two Houses thereon; and appoints Mrs. MEYERS of Kansas, Mr. TORKILDSEN, Mr. LONGLEY, Mr. LAFALCE, and Mr. POSHARD as the managers of the conference on the part of the House.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1412. A communication from the Secretary of Transportation, transmitting, pursuant to law, the report under the Imported Vehicle Safety Compliance Act for calendar year 1994; to the Committee on Commerce, Science, and Transportation.

EC–1413. A communication from the Secretary of the Interior, transmitting, pursuant to law, the report under the Marine Mammal Protection Act of 1972 for calendar year 1992; to the Committee on Commerce, Science, and Transportation.

EC–1414. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of the implementation of the Waste Isolation Pilot Plant Land Withdrawal Act for fiscal year 1994; to the Committee on Energy and Natural Resources.

EC–1415. A communication from the Assistant Secretary of the Interior (Land and Minerals Management), transmitting, pursuant to law, the report of royalty management and delinquent account collection activities during fiscal year 1994; to the Committee on Energy and Natural Resources.

EC–1416. A communication from the Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, the report of the annual energy review for calendar year 1994; to the Committee on Energy and Natural Resources.

EC–1417. A communication from the Assistant Comptroller General of the Resources, Community, and Economic Development Division, General Accounting Office, transmitting, a report entitled "The Department of Energy: A Framework for Restructing DOE and Its Missions", to the Committee on Energy and Natural Resources.

EC–1418. A communication from the Secretary of Energy, transmitting, pursuant to law, a report on voluntary supply commitment efforts; to the Committee on Energy and Natural Resources.

EC–1419. A communication from the Secretary of Energy, transmitting, pursuant to law, a report on the Energy Efficiency Commercialization Ventures Program Plan; to the Committee on Energy and Natural Resources.

EC–1420. A communication from the Secretary of Energy, transmitting, pursuant to law, a report on the status of technologies for combining coal with other materials; to the Committee on Energy and Natural Resources.

EC–1421. A communication from the Secretary of Energy, transmitting, pursuant to law, the report on the Strategic Petroleum Reserve for the period April 1 through June 30, 1995; to the Committee on Energy and Natural Resources.

EC–1422. A communication from the Secretary of Energy, transmitting, pursuant to law, the report for the Demonstration and Commercial Application of Renewable Energy and Energy Efficiency Technologies Program; to the Committee on Energy and Natural Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BOND, from the Committee on Appropriations, with amendments:

H.R. 2099. A bill making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for fiscal year ending September 30, 1996, and for other purposes (Rept. No. 104–140).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. COCHRAN:

S. 1235. A bill to amend the Federal Crop Insurance Act to authorize the Secretary of Agriculture to provide supplemental crop disaster assistance under certain circumstances, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HOLLINGS (for himself, Mr. JEFFORDS, Mr. KOHL, Mr. BRYAN, Mr. SANTORUM, Mr. KYL, Mr. BUMPERS, Mrs. BOXER, Mr. LUGAR, Mr. SIMPSON, and Mr. KERRY):

S. 1236. A bill to establish a commission to advise the President on proposals for national commemorate events; to the Committee on the Judiciary.

By Mr. HATCH (for himself, Mr. ABRAHAM, Mr. GRASSLEY, and Mr. THURMOND):

S. 1237. A bill to amend certain provisions of law relating to child pornography, and for other purposes; to the Committee on the Judiciary.

By Mr. GREGG:

S. 1238. A bill to amend title XVIII of the Social Security Act to provide greater flexibility and choice under the Medicare Program; to the Committee on Finance.

By Mr. MCCAIN (for himself, Mr. FORD, and Mr. HOLLINGS):

S. 1239. A bill to amend title 49, United States Code, with respect to the regulation of interstate transportation by common carriers engaged in civil aviation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mrs. FEINSTEIN (for herself, Mr. BROWN, Mr. LIEBERMAN, and Mr. PELL):

S. Res. 171. A resolution expressing the sense of the Senate with respect to the second anniversary of the signing of the Israeli-Palestinian Declaration of Principles; to the Committee on Foreign Relations.

STATEMENTS OF INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. COCHRAN:

S. 1235. A bill to amend the Federal Crop Insurance Act to authorize the Secretary of Agriculture to provide supplemental crop disaster assistance under certain circumstances, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

THE FEDERAL CROP INSURANCE ACT AMENDMENT ACT OF 1995

• Mr. COCHRAN. Mr. President, over the last 2 months cotton crops in many counties in Mississippi have suffered severe damage due to unusually high insect infestations. It is estimated that over 160,000 acres of cotton have been damaged amounting to a loss of over $100 million. This devastation has not only struck Mississippi, but Texas, Alabama, Tennessee, Arkansas, and Georgia as well. Early estimates provided by the National Cotton Council, State extension services, and State departments of agriculture show approximately 1.6 million acres affected all together with over $700 million losses to farmers.

Cotton farmers have spent large amounts of money trying to control these infestations. Many in my State will not even harvest their crops because of the extensive damage. Many will have crop yields so low that they will not even be able to recover their production costs.

Farmers have catastrophic crop insurance coverage which was mandated in the Federal Crop Insurance Act of 1994 as a requirement for participation in the cotton program. However, the damages from this disaster will far exceed this coverage.

I am introducing legislation which authorizes the Secretary of Agriculture to provide supplemental crop disaster assistance in addition to benefits provided in the Crop Insurance Reform Act of 1994, if the Secretary determines that an extraordinary disaster situation exists.

The Government's Catastrophic Crop Insurance program is not sufficient to help the farmers in the situation they are to recover and stay in business. More must be done.

I encourage my colleagues to support this bill.●

By Mr. HOLLINGS (for himself, Mr. JEFFORDS, Mr. KOHL, Mr. BRYAN, Mr. SANTORUM, Mr. KYL, Mr. BUMPERS, Mrs. BOXER, Mr. LUGAR, Mr. SIMPSON, and Mr. KERRY):

S. 1236. A bill to establish a commission to advise the President on proposals for national commemorate events; to the Committee on the Judiciary.

THE NATIONAL COMMEMORATIVE EVENTS ACT

Mr. HOLLINGS. Mr. President, I rise to introduce the National Commemorative Events Advisory Act, the purpose of which is to create a Presidential advisory commission tasked with reviewing the merit of proposed commemorative observances.

Mr. President, we simply must find an alternative way to review and limit the hundreds of congressionally sponsored commemorative resolutions. These resolutions are intended to honor worthy causes by setting aside a particular day, week, month, or year as a time of special recognition. In principle, this is a noble idea. But, regrettably, in recent years our zeal for commemoratives has gotten entirely out of hand.

During the 95th Congress, we had 57 commemoratives. In the 99th Congress, a high-water mark was reached when 275 commemoratives were passed. In the 100th, 101st, 102d, and 103d Congresses, the totals fell slightly. However, it is shocking to note that during each of these four Congresses, commemoratives accounted for over 30 percent of all public laws passed by Congress.

There is a very tangible cost to this excess, beginning with the fact that the laborious process of enlisting cosponsors and passing commemorative bills have become a major drain on our time as well as on the time of our staffs. There is also a cost in trivializing the whole idea of commemorative observances. We have all noticed a kind of Gresham's law at work, with the proliferation of bad commemoratives driving out of circulation the truly worthy commemoratives.

To put it bluntly, Mr. President, this bill is designed to save us from ourselves—to save us from good intentions run amok. The bill would create a President's Advisory Commission on National Commemorative Events, which would have the task of conducting an independent merit review of commemorative proposals. Congress would no longer pass commemorative resolutions. Instead, the proposed advisory commission would be charged with the sole function of reviewing proposals for national commemorative events making positive or negative recommendations to the President.

This Presidential advisory commission is an idea whose time has come. It would streamline the process of considering proposals, while saving the Congress considerable time and resources. In addition, it would provide for a fair and impartial review of the hundreds of commemorative proposals submitted by a large and growing number of constituent groups.

There are a number of differing projections comparing the relative costs of passing commemorative through Congress and through an independent commission. To be accurate, these calculations need to take full account of the staff time now devoted to handling commemoratives in Congress.

Mr. President, I am well aware that commemoratives are both a curse and a blessing for Members of Congress. They are enormously time consuming. However, they are also perceived as an important vehicle for winning the favor of worthy causes and special interests.

I myself sponsored an amendment to the 1994 crime bill to designate May 1, 1995, as Law Day, U.S.A., to honor our Nation's law enforcement professionals. However, I am confident of the merit of this Law Day commemorative and would be happy to subject it to independent review by the proposed advisory commission.

Mr. President, I urge my fellow Senators to join me in supporting this bill. We can best honor all our constituents not by passing commemorative after commemorative, but by applying ourselves to substantive legislation that will make a real difference in our constituent's lives.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1236

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Commemorative Events Advisory Act".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the preparation and consideration of the multitude of bills proposing particular days, weeks, months, or years for recognition through Presidential proclamation unduly burdens the Congress and consumes an inordinate amount of time;

(2) such proposals could be more efficiently considered by a commission whose sole function would be to review proposals for national commemorative events and to make positive or negative recommendations thereon to the President;

(3) such a commission would streamline the process by which such proposals are currently considered and save the Congress considerable time and resources which could be devoted to matters of more pressing national concern; and

(4) such a commission would better ensure the impartial review of proposals for national commemorative events generated by a wide variety of constituent groups.

SEC. 3. ESTABLISHMENT AND MEMBERSHIP.

(a) IN GENERAL.—There shall be established a commission to be known as the "President's Advisory Commission on National Commemorative Events" (hereafter in this Act referred to as the "Commission").

(b) MEMBERS.—The Commission shall be composed of 11 members of whom—

(1) 2 members shall be appointed by the Speaker of the House of Representatives, after consultation with the majority and minority leaders of the House of Representatives;

(2) 2 members shall be appointed by the President pro tempore of the Senate, after consultation with the majority and minority leaders of the Senate; and

(3) 7 members shall be appointed by the President.

(c) QUALIFICATIONS.—(1) All members of the Commission shall be citizens of the United States.

(2) Members appointed under subsection (b)(3)—

(A) to the greatest extent possible, shall represent a wide range of educational, geographical, and professional backgrounds; and

(B) may not be Members of Congress.

(d) TERMS.—(1) Except as provided in paragraph (2), each member shall be appointed for a term of 2 years.

(2) Of the members first appointed under subsection (b)(3) the President shall designate—

(A) 3 who shall be appointed for 1 year; and

(B) 4 who shall be appointed for 2 years.

(3) If a member was appointed to the Commission as a Member of Congress and the member ceases to be a Member of Congress, that member may continue as a member for not longer than the 30-day period beginning on the date that member ceases to be a Member of Congress.

(e) VACANCIES.—A vacancy shall be filled in the manner in which the original appointment was made. A vacancy in the Commission shall not affect its powers. Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of such term.

(f) CHAIRMAN.—The Chairman of the Commission shall be designated by the President from among the members under subsection (b)(3). The term of office of the Chairman shall be 2 years.

(g) QUORUM.—6 members of the Commission shall constitute a quorum. Action by a quorum shall be necessary for the Commission to issue a recommendation under section 6(d).

(h) MEETINGS.—The Commission shall meet on at least a quarterly basis. Meetings shall be held in the District of Columbia.

(i) PAY.—(1) Except as provided in paragraph (2), each member of the Commission shall be paid the daily equivalent of the maximum rate of basic pay payable for grade GS–15 of the General Schedule for each day, including traveltime, during which such member is performing duties of the Commission.

(2) Members of the Commission who are full-time officers or employees of the United States or Members of Congress may not receive additional pay for service on the Commission.

(j) TRAVEL EXPENSES.—While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including a per diem allowance in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed travel expenses under section 5703 of title 5 of the United States Code.

SEC. 4. STAFF.

(a) LIMITATION ON STAFF.—The Commission may not employ staff personnel.

(b) DETAIL OF STAFF FROM FEDERAL AGENCIES.—Any Federal employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

SEC. 5. POWERS OF THE COMMISSION.

(a) HEARINGS.—The Commission may, for the purpose of carrying out this Act, hold such hearings, take such testimony, and receive such evidence, as it considers appropriate.

(b) GIFTS.—The Commission may accept, use, and dispose of gifts or donations of services or property, but not from a source having a direct interest in any matter before the Commission.

(c) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(d) ADMINISTRATIVE SUPPORT SERVICES.—The Administrator of General Services shall provide to the Commission, on a reimbursable basis, such administrative support services as the Commission may request.

SEC. 6. DUTIES OF THE COMMISSION.

(a) CRITERIA.—The Commission shall establish criteria for recommending to the President that a proposed commemorative event be approved or disapproved.

(b) SUBMISSION OF PROPOSALS.—The Commission shall establish and publish in the Federal Register procedures for submitting proposals for national commemorative events to the Commission.

(c) REVIEW OF PROPOSALS.—The Commission shall review all proposals submitted to it in accordance with subsection (b).

(d) RECOMMENDATION TO THE PRESIDENT.—The Commission shall issue a recommendation to the President for approval or disapproval of each proposal submitted to it in accordance with subsection (b). Each recommendation shall be accompanied by a brief explanation of such recommendation.

(e) LIMITATION ON DESIGNATION OF EVENTS.—The Commission shall not issue a recommendation to the President for approval of an event which commemorates—

(1) a commercial enterprise, industry, specific product, or fraternal, political, business, labor, or sectarian organization;

(2) a particular State or any political subdivision thereof, city, town, county, school, or institution of higher learning; or

(3) a living person.

(f) NONPERMANENT DESIGNATIONS.—(1) Any day, week, month, year, or other specified period of time designated by the Commission for commemoration of an event may not be designated for a date or time period which begins more than 1 year after the date such designation is made.

(2) No event which is commemorated by a day, week, month, year, or other specified period of time designated by the Commission may be commemorated by another designation within a single calendar year.

SEC. 7. EFFECTIVE DATE; COMMENCEMENT AND TERMINATION PROVISIONS.

(a) EFFECTIVE DATE.—This Act shall take effect on January 1, 1996.

(b) COMMENCEMENT; TERMINATION.—(1) Members of the Commission shall be appointed, and the Commission shall first meet, within 90 days after the effective date of this Act.

(2) The Commission shall terminate 5 years after the date on which it first meets.

By Mr. HATCH (for himself, Mr. ABRAHAM, and Mr. GRASSLEY):

S. 1237. A bill to amend certain provisions of law relating to child pornography, and for other purposes; to the Committee on the Judiciary.

THE CHILD PORNOGRAPHY PREVENTION ACT OF 1995

Mr. HATCH. Mr. President, it is impossible for any decent American not to be outraged by child pornography and the sexual exploitation of children. Such material is a plague upon our people and the moral fabric of this great Nation.

And, as a great Nation, I believe that we have both the constitutional right and moral obligation to protect our children from those who, motivated by profit or perversion or both, would abuse, exploit, and degrade the weakest and most vulnerable members of our society.

Current Federal law dealing with child pornography reflects the overwhelming bipartisan consensus which has always existed, both in Congress and in the country, that there is no place for such filth even in a free society and that those who produce or peddle this reprehensible material must be made to feel the full weight of the law and suffer a punishment reflective of the seriousness of their offense.

As with many of our criminal statutes, however, effective enforcement of our laws against child pornography today faces a new obstacle: The criminal use, or misuse, of new technology which is outside the scope of existing statutes. In order to close this computer-generated loophole and to give our law enforcement authorities the tools they need to stem the increasing flow of high-tech child pornography, I am today introducing the Child Pornography Prevention Act of 1995.

The necessity for prompt legislative action amending our existing Federal child pornography statutes to cover the use of computer technology in the production of such material was vividly illustrated by a recent story in the Washington Times. This story, dated July 23, 1995, reported the conviction in Canada of a child pornographer who copied innocuous pictures of children from books and catalogs onto a computer, altered the images to remove the childrens' clothing, and then arranged the children into sexual positions. According to Canadian police, these sexual scenes involved not only adults and children, but also animals.

Even more shocking than the occurrence of this type of repulsive conduct is the fact that, under current Federal law, those pictures, depicting naked children involved in sex with other children, adults, and even animals, would not be prosecutable as child pornography. That is because current Federal child pornography and sexual exploitation of children laws, United States Code title 18, sections 2251, 2251A, and 2252, cover only visual depictions of children engaging in sexually explicit conduct whose production involved the use of a minor engaging in such conduct; materials such as photographs, films, and videotapes.

Today, however, visual depictions of children engaging in any imaginable forms of sexual conduct can be produced entirely by computer, without using children, thereby placing such depictions outside the scope of Federal law. Computers can also be used to alter sexually explicit photographs, films, and videos in such a way as to make it virtually impossible for prosecutors to identify individuals, or to prove that the offending material was produced using children.

The problem is simple: While Federal law has failed to keep pace with technology, the purveyors of child pornography have been right on line with it. This bill will help to correct that problem.

The Child Pornography Prevention Act of 1995, which includes a statement of congressional findings as to harm, both to children and adults, resulting from child pornography, has three major provisions. First, it would amend United States Code title 18, section 2256, to establish, for the first time, a specific, comprehensive, Federal statutory definition of child pornography. Under this bill, any visual depiction, such as a photograph, film, videotape or computer image, which is produced by any means, including electronically by computer, of sexually explicit conduct will be classified as child pornography if: (a) its production involved the use of a minor engaging in

sexually explicit conduct; or (b) it depicts, or appears to depict, a minor engaging in sexually explicit conduct; or (c) it is promoted or advertised as depicting a minor engaging in sexually explicit conduct.

Second, this bill amends the existing statutory definition of sexually explicit conduct contained at section 2256 to include the lascivious exhibition of the buttocks of any minor or the breast of any female minor.

Finally, this bill would protect the Federal Government, State and local governments, and State and local law enforcement officials, from the threat of civil lawsuits and the awarding of damages as the result of searches and seizures made in connection with child pornography investigations or prosecutions.

Current Federal law, United States Code title 42, section 2000aa, includes exceptions to the Privacy Protection Act allowing certain searches and seizures, where the offense consists of the receipt, possession, or communication of information pertaining to the national defense, classified information or restricted data.

This bill would extend that exception to offenses involving the production, possession, sale or distribution of child pornography, the sexual exploitation of children, or the sale or purchase of children, activities which enjoy absolutely no first amendment protection.

Because there have already been several bills or amendments introduced during this session of Congress pertaining to computer telecommunications and the transmission on the Internet of obscene or indecent material, which have been the subject of extensive and on-going comment and debate both here in the Senate and in the country at large, let me emphasize that the bill I am introducing today is not a telecommunications bill and does not propose new or expanded restrictions or regulations with respect to the Information Superhighway.

Child pornography is a particularly pernicious evil, something that no civilized society can or should tolerate. It poisons the minds and spirits of our youth. It permanently records the victim's degradation and abuse, and can haunt those children for years to come. It fuels the growth of organized crime. It encourages the activities of pedophiles and can be used to seduce even more young victims. Congress can and should act, promptly and decisively, to close any loophole in statutes designed to protect our children from the kind of threat and harm posed by child pornography.

I strongly urge the Senate to promptly pass the Child Pornography Prevention Act of 1995.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1237

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Child Pornography Prevention Act of 1995".

SEC. 2. FINDINGS.

Congress finds that—

(1) the use of children in the production of sexually explicit material, including photographs, films, videos, computer images, and other visual depictions, is a form of sexual abuse which can result in physical or psychological harm, or both, to the children involved;

(2) child pornography permanently records the victim's abuse, and its continued existence causes the child victims of sexual abuse continuing harm by haunting those children in future years;

(3) child pornography is often used as part of a method of seducing other children into sexual activity; a child who is reluctant to engage in sexual activity with an adult, or to pose for sexually explicit photographs, can sometimes be convinced by viewing depictions of other children "having fun" participating in such activity;

(4) prohibiting the possession and viewing of child pornography encourages the possessors of such material to destroy them, thereby helping to protect the victims of child pornography and to eliminate the market for the sexually exploitative use of children; and

(5) the elimination of child pornography and the protection of children from sexual exploitation provide a compelling governmental interest for prohibiting the production, distribution, possession, or viewing of child pornography.

SEC. 3. DEFINITIONS.

Section 2256 of title 18, United States Code, is amended—

(1) in paragraph (2)(E), by inserting before the semicolon the following: ", or the buttocks of any minor, or the breast of any female minor";

(2) in paragraph (5), by inserting before the semicolon the following: ", and data stored on computer disk or by electronic means which is capable of conversion into a visual image";

(3) in paragraph (6), by striking "and";

(4) in paragraph (7), by striking the period and inserting "; and"; and

(5) by adding at the end the following new paragraph:

"(8) 'child pornography' means any visual depiction, including any photograph, film, video, picture, drawing, or computer or computer-generated image or picture, whether made or produced by electronic, mechanical, or other means, of sexually explicit conduct, where—

"(A) the production of such visual depiction involves the use of a minor engaging in sexually explicit conduct;

"(B) such visual depiction is, or appears to be, of a minor engaging in sexually explicit conduct; or

"(C) such visual depiction is advertised, promoted, presented, described, or distributed in such a manner that conveys the impression that the material is or contains a visual depiction of a minor engaging in sexually explicit conduct.".

SEC. 4. PROHIBITED ACTIVITIES RELATING TO MATERIAL CONSTITUTING OR CONTAINING CHILD PORNOGRAPHY.

(a) IN GENERAL.—Section 2252 of title 18, United States Code, is amended to read as follows:

"§ 2252. Certain activities relating to material constituting or containing child pornography

"(a) Any person who—

"(1) knowingly mails, transports, or ships in interstate or foreign commerce by any means, including by computer, any child pornography;

"(2) knowingly receives or distributes—

"(A) any child pornography that has been mailed, shipped, or transported in interstate or foreign commerce by any means, including by computer; or

"(B) any material that contains child pornography that has been mailed, shipped, or transported in interstate or foreign commerce by any means, including by computer;

"(3) knowingly reproduces any child pornography for distribution through the mails, or in interstate or foreign commerce by any means, including by computer;

"(4) either—

"(A) in the maritime and territorial jurisdiction of the United States, or on any land or building owned by, leased to, or otherwise used by or under the control of the United States Government, or in the Indian country (as defined in section 1151), knowingly sells or possesses with the intent to sell any child pornography; or

"(B) knowingly sells or possesses with the intent to sell any child pornography that has been mailed, shipped, or transported in interstate or foreign commerce by any means, including by computer, or that was produced using materials that have been mailed, shipped, or transported in interstate or foreign commerce by any means, including by computer; or

"(5) either—

"(A) in the maritime and territorial jurisdiction of the United States, or on any land or building owned by, leased to, or otherwise used by or under the control of the United States Government, or in the Indian country (as defined in section 1151), knowingly possesses 3 or more books, magazines, periodicals, films, videotapes, computer disks, or any other material that contains any child pornography; or

"(B) knowingly possesses 3 or more books, magazines, periodicals, films, videotapes, computer disks, or any other material that contains any child pornography that has been mailed, shipped, or transported in interstate or foreign commerce by any means, including by computer,

shall be punished as provided in subsection (b).

"(b)(1) Whoever violates, or attempts or conspires to violate, paragraphs (1), (2), (3), or (4) of subsection (a) shall be fined under this title or imprisoned not more than 10 years, or both, but, if such person has a prior conviction under this chapter or chapter 109A, such person shall be fined under this title and imprisoned for not less than 5 years nor more than 15 years.

"(2) Whoever violates paragraph (5) of subsection (a) shall be fined under this title or imprisoned for not more than 5 years, or both.".

(b) TECHNICAL AMENDMENT.—The table of sections for chapter 110 of title 18, United States Code, is amended by amending the item relating to section 2252 to read as follows:

"2252. Certain activities relating to material constituting or containing child pornography.".

SEC. 5. PRIVACY PROTECTION ACT AMENDMENTS.

Section 101 of the Privacy Protection Act of 1980 (42 U.S.C. 2000aa) is amended—

(1) in subsection (a)(1), by inserting before the semicolon at the end the following: ", or if the offense involves the production, possession, receipt, mailing, sale, distribution, shipment, or transportation of child pornography, the sexual exploitation of children, or the sale or purchase of children under section 2251, 2251A, or 2252 of title 18, United States Code"; and

(2) in subsection (b)(1), by inserting before the semicolon at the end the following: ", or if the offense involves the production, possession, receipt, mailing, sale, distribution, shipment, or transportation of child pornography, the sexual exploitation of children, or the sale or purchase of children under section 2251, 2251A, or 2252 of title 18, United States Code".

SEC. 6. SEVERABILITY.

If any provision of this Act, an amendment made by this Act, or the application of such provision or amendment to any person or circumstance is held to be unconstitutional, the remainder of this Act, the amendments made by this Act, and the application of such to any other person or circumstance shall not be affected thereby.

By Mr. MCCAIN (for himself, Mr. FORD, Mr. HOLLINGS)

S. 1239. A bill to amend title 49, United States Code, with respect to the regulation of interstate transportation by common carriers engaged in civil aviation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE AIR TRAFFIC MANAGEMENT SYSTEM PERFORMANCE IMPROVEMENT ACT OF 1995

Mr. MCCAIN. Mr. President, I rise today with my colleague Senator FORD, to introduce legislation that will streamline the Federal Aviation Administration in a comprehensive and responsible manner. This bill was developed to ensure that in this era of fiscal accountability, the FAA can continue to operate the safest air traffic control system in the world. Our work on this bill began with the premise that aviation safety was no place for partisan conflict or for gamesmanship between the legislative and executive branches. We worked to craft a bipartisan solution that brings together the views and experience of all the parties engaged in aviation safety. We also sought a partnership with the administration to get the job done.

Currently, one of the most challenging tasks for those of us in Congress who want to balance the budget is to find innovative and workable solutions to ensure that essential Government services not only continue, but are performed even better. Federal regulation of airline safety is one such service that virtually everyone agrees must continue and, in fact, should undergo major modernization. Indeed, after several major air traffic computer systems failed this summer, the traveling public is right to be concerned about what the Government intends to do about the problem. Traditionally, the Government's response would have been to pour more tax money into the FAA's budget. Under the new budget resolution, however, that will not be possible. More importantly, the truth is that simply spending money does not guarantee improvements anyway.

For those of responsible for the oversight of aviation safety, the focus in the FAA reform debate is now how we can actually improve airline safety at the same time that the amount of tax dollars spent on the FAA is cut back. We believe that the legislation being introduced today, by making major reforms at the FAA and changing the way the agency is financed, can accomplish this goal. In addition, this bill enables us and the agency to create incentives to reduce or eliminate current operational inefficiencies that cost airlines and their passengers billions each year.

Specifically, our proposed legislation will take the FAA as far as possible out of the political environment and provide it with a clear direction and stable source of funding. It will free this essential agency from many restrictive regulations and requirements, particularly in the areas of procurement and personnel. Most significantly, however, it will compel the FAA to become an organization that is far more responsive to the needs of those who use the air traffic control system—air carriers, general aviation, and the traveling public. It is designed to provide the kind of direction and incentives that will result in a safer and far more efficient air transportation system.

As the FAA reform debate has intensified this year, the role of the FAA has come under intense scrutiny. Without question, the FAA has provided the United States with the finest aviation safety system in the world. However, this is an agency that has major flaws. It has spent over $20 billion in the last decade for a modernization program that is way over budget and has never lived up to its promise. Moreover, the operational inefficiencies resulting from the failure of the modernization program are measured in billions of dollars annually.

Some have suggested that the FAA's problems could be solved simply by procurement reform—in other words, by giving the agency the ability to cut redtape in buying equipment. Although we acknowledge that procurement reform is important, even essential, that alone does not do enough. Without changing the basic mission and structure of the organization, procurement reform would merely be a way of allowing an agency to make bad purchasing decisions even faster. Our proposed legislation reflects an understanding that we had to do more than procurement and personnel reform to resolve the FAA's problems. Our bill recognizes that the legislative and budget constraints under which the FAA works are simply too restrictive to make the fundamental changes necessary.

It has been particularly distressing to see that because of these constraints, the FAA has been unable to keep up with the dynamic technical and economic changes taking place in the airline industry. That, in turn, highlights the fact that there is a disconnect between those who fund the system and those who operate it. Over 70 percent of the FAA budget comes from the industry using the system, mostly through a 10-percent tax on airline tickets. In the future, the only way to save tax dollars will be to require that users pay an even greater percentage. Yet, under the current system, there is little incentive for the FAA to develop systems that will result in operational efficiencies. That is because there is no relationship between the way the money comes in and the way it is being spent. Our legislation is the only bill that attempts to remedy this fundamental deficiency.

Under our bill, the FAA would be required to design a new fee system based upon the use of the system by airlines and others, instead of the price of an airline ticket. In this way, system users would have a greater stake in a safe and efficient air traffic control system, and the FAA, in turn, would have a greater stake in making sure that it understands the industry it regulates. Those who use the FAA's services will pay more user fees to support the FAA in the future. That is a fact of life under the budget resolution. But, if our legislation is enacted, we are convinced that the operational efficiencies realized by the users will more than offest the additional expenses. And, for the first time, the fees will be directly applied to the services provided.

In no case will safety be given a lower priority. In fact, there will be an explicit link between safety and productivity. Since nothing in this legislation will change the current FAA goal of zero accidents, the only way that productivity and capacity will increase under the new system is if safety margins improve even more than they are today. We want the users of the system to have as great a stake in assuring the highest Federal safety standards as possible. That is precisely what this bill will do. It will create a public/private partnership that will link safety and productivity to ensure that both improve.

This bill comes at a critical time for the FAA. We are confident that we are on the right track by having de-politicized the issue and having sought the most impartial and skilled advice in putting it together. It is our intent to see this bill enacted into law, and then commit ourselves to intense oversight to be sure that it is implemented in a

way that places safety at the forefront, turns the FAA into a more modern and responsive agency, improves the performance of the air traffic control system, and saves money for American taxpayers.

Mr. FORD. Mr. President, today the Senate begins the debate on meaningful reform of the Federal Aviation Administration. With the introduction of the Air Traffic Management System Performance Improvement Act of 1995, we have fashioned a bipartisan approach with the administration on how to achieve the long term goal of maintaining the world's safest air transportation system. We could use a lot more bipartisan approaches to problems. The aviation industry is no different than the general public—they want rational solutions to difficult problems—not political cat fights.

I began to search for ways to reform the FAA many years ago and in 1987, introduced S. 1600, a bill that would have made the FAA an independent agency. However, the problems today are different than those that prompted S. 1600. Today's problems are not about micro-management and internal disputes. The issue today has two parts—money and efficiency.

The bill today addresses those issues in many ways. First it sets in motion a series of new systems to fund the agency, new systems for its people and programs. My goal is not to merely cover a funding problem, but to use money to derive a better agency. As a result, the fee systems that are to be set up will be difficult to design. No one wants to create discincentives. For example, in authorizing the FAA to collect fees for certification work, I want to make sure the FAA focuses its resources on what is needed. If the FAA chooses to merely use the certification fees as a means to raise revenue, they may choose to function like lawyers and charge by the hour, not by the product or value of the service. No one wants to encourage the FAA to run up bills for the sake of raising money. There is much work that needs to be done to assign fees. The industry, the FAA, the Department and the Committee need to continue to work out the best way to accomplish our goal.

However, all parties must bear in mind that under the current set of assumptions, the FAA will need approximately $59 billion through 2002. However, under the budget resolution calls for only $47 billion. Somehow, we have got to recognize what this $12 billion gap means. To put it in perspective, it could mean the closure or elimination of many services that are now provided. Like many situations, when we begin to downsize, the smallest communities tend to bear the brunt of cuts. Air traffic control towers at small airports, which are critical to the economic development of our small communities, could be the first to go. Flight service stations that handle general aviation traffic also could be on the first list of closures. In addition, do any of us really want to think of an air traffic control system with fewer controllers than we have today?

If current trends are correct, by the year 2002, we will have a 35-percent increase in passenger traffic, and an 18-percent increase in operations. Absent financial reform, the FAA will experience a 14-percent decline in funding. These statistics will mean only one thing—an FAA without an ability to meet its safety mission and without adequate funding to meet air traffic control demands.

Today, the Chicago center in Aurora experienced its second outage in recent months. I know the National Transportation Safety Board is looking into ATC problems now, but we must recognize that without the ability to modernize, and quickly, problems like Chicago may reoccur.

With respect to the bill, it does not create a corporation, nor does it make the agency independent. Instead, the bill strikes a balance. Regulatory and budget issues will be coordinated between the Secretary and the Administrator. In other areas such as personnel and procurement, the Administrator will have authority. These changes are important and will change how FAA manages its business. The goal, and one we all share, is an FAA with the ability to act quickly, and be able to count on funding.

The bill today asks many segments of the industry for help in supporting the FAA's mission. I do not ask airlines, manufacturers, and others for their financial support lightly and I know that bill be controversial. But something has got to change.

I have a choice—I can look at the FAA, and the budget assumptions and do nothing, or I can work to make sure that the safety of the traveling public is protected. After 21 years in Congress, having spent many years as Aviation Subcommittee chairman and now ranking Democrat, I can tell you that we have got to act. The bottom line, unfortunately, is that the travelling public simply can not count on funding for the FAA under the drive to balance the budget.

To those that will object, we will continue to work with you on FAA reform. There is much we agree on, and a lot of work to be done. I also want to point out that while the House bill differs from the bill we are introducing today, we share a common goal—a better FAA.

ADDITIONAL COSPONSORS

S. 743

At the request of Mrs. HUTCHISON, the name of the Senator from Tennessee [Mr. FRIST] was added as a cosponsor of S. 743, a bill to amend the Internal Revenue Code of 1986 to provide a tax credit for investment necessary to revitalize communities within the United States, and for other purposes.

S. 794

At the request of Mr. LUGAR, the name of the Senator from North Carolina [Mr. FAIRCLOTH] was added as a cosponsor of S. 794, a bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to facilitate the minor use of a pesticide, and for other purposes.

S. 959

At the request of Mr. HATCH, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 959, a bill to amend the Internal Revenue Code of 1986 to encourage capital formation through reductions in taxes on capital gains, and for other purposes.

S. 969

At the request of Mr. BRADLEY, the names of the Senator from Maryland [Mr. SARBANES], the Senator from Illinois [Mr. SIMON], and the Senator from Minnesota [Mr. WELLSTONE] were added as cosponsors of S. 969, a bill to require that health plans provide coverage for a minimum hospital stay for a mother and child following the birth of the child, and for other purposes.

S. 978

At the request of Mrs. HUTCHISON, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 978, a bill to facilitate contributions to charitable organizations by codifying certain exemptions from the Federal securities laws, to clarify the inapplicability of antitrust laws to charitable gift annuities, and for other purposes.

S. 1113

At the request of Mr. LAUTENBERG, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 1113, a bill to reduce gun trafficking by prohibiting bulk purchases of hand guns.

S. 1161

At the request of Mr. BAUCUS, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 1161, a bill to amend the Internal Revenue Code of 1986 to exempt small manufacturers, producers and importers from the firearms excise tax.

AMENDMENT NO. 2514

At the request of Mr. LIEBERMAN, the names of the Senator from Georgia [Mr. NUNN] and the Senator from Connecticut [Mr. DODD] were added as cosponsors of amendment No. 2514 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2565

At the request of Mr. ROBB, his name was added as a cosponsor of amendment No. 2565 proposed to H.R. 4, a bill to restore the American family, reduce

illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2575

At the request of Mr. DOMENICI, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of amendment No. 2575 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2589

At the request of Mr. MCCAIN, the names of the Senator from Hawaii [Mr. INOUYE], the Senator from Minnesota [Mr. WELLSTONE], and the Senator from New Mexico [Mr. DOMENICI] were added as cosponsors of amendment No. 2589 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2603

At the request of Mr. FAIRCLOTH, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of amendment No. 2603 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

At the request of Mr. GRAMM, his name was added as a cosponsor of amendment No. 2603 proposed to H.R. 4, supra.

AMENDMENT NO. 2668

At the request of Ms. MIKULSKI, the name of the Senator from Minnesota [Mr. WELLSTONE] was added as a cosponsor of amendment No. 2668 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

SENATE RESOLUTION 171—RELATIVE TO THE ISRAELI-PALESTINIAN DECLARATION OF PRINCIPLES

Mrs. FEINSTEIN (for herself, Mr. BROWN, Mr. LIEBERMAN, and Mr. PELL) submitted the following resolutions; which was referred to the Committee on Foreign Relations:

S. RES. 171

Whereas the Bush Administration and the Clinton Administration have both worked relentlessly to build on the Middle East peace process that began in Madrid in October 1991, with the goal of achieving a comprehensive, lasting peace between Israel and all its neighbors;

Whereas on September 13, 1993, the first major breakthrough of the Madrid peace process was achieved when Israel and the Palestinians signed the Declaration of Principles on Interim Self-Government Arrangements on the White House lawn;

Whereas September 13, 1995 marks the second anniversary of this important breakthrough;

Whereas the United States has pledged to support the Israel-Palestinian Declaration of Principles through diplomatic and political efforts, the provision of assistance, and other means;

Whereas the May 4, 1994 Cairo Agreement between Israel and the Palestinians resulted in the withdrawal of the Israeli army from the Gaza Strip and the Jericho Area and the establishment of a Palestinian Authority with responsibility for those areas;

Whereas Israel and the Palestinian Authority are continuing negotiations on the redeployment of Israeli troops our of Arab population centers in the West Bank, the expansion of the Palestinian Authority's jurisdiction into the areas vacated by the Israeli army, and the convening of elections for a Palestinian council;

Whereas the Israeli-Palestinian Declaration of Principles helped pave the way for the October 25, 1994 signing of a full peace treaty between Israel and Jordan, which established full diplomatic relations and pledged to resolve all future disputes by peaceful means;

Whereas the Israeli-Jordanian peace treaty has resulted in rapid normalization and unprecedented cooperation between the two nations in security, economic development, the environment, and other areas;

Whereas the Israeli-Palestinian Declaration of Principles helped pave the way for Israel to establish low-level diplomatic relations with Morocco and Tunisia, and to initiate official contacts with Qatar, Oman, and Bahrain;

Whereas the six nations of the Gulf Cooperation Council have announced their decision to end all enforcement of the secondary and tertiary boycotts of Israel;

Whereas extremists opposed to the Middle East peace process continue to use terrorism to undermine the chances of achieving a comprehensive peace, including on August 21, 1995, when a suicide bomber blew up a bus in Jerusalem, killing one American and four Israeli civilians;

Whereas the issue of security and preventing acts of terrorism is and must remain of paramount importance in the Israeli-Palestinian negotiations; and

Whereas compliance by the Palestine Liberation Organization and the Palestinian Authority with all of their solemn commitments is essential to the success of the peace process: Now, therefore, be it

Resolved, That the Senate—

(1) expresses its support for the Israeli-Palestinian Declaration of Principles on the second anniversary of its historic signing;

(2) supports the efforts of Israel and the Palestinians to conclude an agreement on implementation of the second phase of the Declaration of Principles;

(3) condemns, in the strongest possible terms, all acts of terrorism aimed at undermining the Israeli-Palestinian peace negotiations and other tracks of the Middle East peace process, and calls upon all parties to take all necessary steps to prevent such acts;

(4) calls upon the Palestine Liberation Organization and the Palestinian Authority to comply with all of their commitments;

(5) welcomes the progress made toward peace between Israel and its neighbors;

(6) commends those Middle Eastern leaders who have committed to resolve their differences through only peaceful means;

(7) reiterates its belief that a comprehensive, lasting peace between Israel and its neighbors is in the national interest of the United States;

(8) encourages all participants in the Middle East peace process to continue working to achieve lasting peace agreements while adhering fully to all commitments made and agreements reached thus far;

(9) calls upon the Arab states to demonstrate their commitment to peace by completely dismantling the Arab boycott of Israel in its primary, secondary, and tertiary aspects; and

(10) strongly supports the Middle East peace process and seeks to effect policies that will help the peace process reach a successful conclusion.

Mrs. FEINSTEIN. Mr. President, 2 years ago today, my colleagues and I were privileged to witness a historic moment on the White House lawn: the signing of the Israeli-Palestinian Declaration of Principles.

Today, on behalf of myself, Senator BROWN, Senator LIEBERMAN, and Senator PELL I am submitting a resolution expressing the sense of the Senate on this important anniversary.

This resolution very simply expresses the Senate's support for the declaration of principles, its recognition of the progress that has been achieved in the Middle East peace process, and its commitment to help the process reach a successful conclusion.

The Middle East has changed so much in the last 4 years that we often take the changes for granted. But it sometimes bears reviewing how much has been achieved in such a short time.

Think of it:

Four years ago, before the Madrid conference in October 1991, Israel had never sat face-to-face in peace talks with most of its Arab neighbors. Today, meetings between Israeli and Arab officials—from Israel's immediate neighbors, from the Persian Gulf States, and from North Africa—are so routine and so numerous that they scarcely receive mention in the news media.

Just over 2 years ago, Israeli and Palestinian negotiators remained locked in a fruitless stalemate, and direct talks between Israel and the PLO were deemed impossible. Today, there is Palestinian self-rule in Gaza and Jericho, Israeli and Palestinian Authority are on the verge of reaching an agreement on Palestinian elections and further Israeli troop redeployments in the West Bank, and handshakes between Israeli and PLO leaders are commonplace.

Just over 1 year ago, Israel and Jordan remained officially in a state of war. Today, thanks to the courage and leadership of King Hussein and Prime Minister Rabin, Israel and Jordan have signed a full peace treaty, enjoy full diplomatic relations, and are continually expanding their cooperation in security, economic development, tourism, the environment, and many other areas.

Mr. President, no one would deny that peace has not yet been secured in the Middle East. Much, much work remains to be done. Although the Israeli-Syrian negotiations have at times showed promise, with senior Israeli and Syrian military officers holding substantive talks on the security arrangements that must accompany an agreement, these talks currently seem

caught in a stalemate. Clearly, many hard rounds of negotiations remain.

Israel's talks with Lebanon are essentially on hold until there is an Israeli—Syrian deal. Israel and the Palestinians must continue to overcome obstacles to the implementation of their agreements, and their negotiations will get no easier once final status talks begin next year.

In addition, the peacemakers of the Middle East face continual opposition from those who would use terrorism to upset the peace process. We were reminded of this once on August 21 when a suicide bomber blew up a bus in Jerusalem, killing one American and four Israeli civilians. Like the suicide bombings that preceded it, this was a heinous and unforgivable act of terrorism.

All who are committed to peace must do everything in their power to prevent acts of terrorism. Nowhere is this more true than in the areas controlled by the Palestinian Authority. While the performance of Chairman Arafat's authority in security matters has improved with time, it must do even more to prevent and punish all terrorist acts. Suicide bombers and other extremists must not be allowed to succeed in their goal of preventing the arrival of peace.

But, the obstacles and the hard work ahead do not change the fact that real peace in the Middle East is today genuinely within reach, as it never has been before. The long-held dream of Israelis to live in peace with all their neighbors, in secure borders, is not a real possibility.

To bring this process to a successful conclusion, the parties themselves must make all the difficult decisions. But the support of the United States has always been essential to Middle East peacemaking, and it remains so today.

Presidents Bush and Clinton, and Secretaries of State Baker and Christopher, deserve enormous credit for their unyielding commitment to pursuing a comprehensive peace in the Middle East, and their efforts have earned them the respect and gratitude of parties throughout the region.

The Congress has also been consistent in its strong support of all efforts to advance the peace process, and expressions of that support help bolster the parties in their efforts. One recent expression of that support was the introduction of S. 1064, the Middle East Peace Facilitation Act of 1995, which I was proud to cosponsor along with Senators HELMS, PELL, DOLE, DASCHLE, MACK, LIEBERMAN, MCCONNELL, LEAHY, and LAUTENBERG. This bill would allow the President to continue to provide assistance to the Palestinians and to conduct relations with the PLO, but it includes strict new language mandating compliance by the PLO and the Palestinian Authority with all of their commitments.

The resolution I am submitting today presents an opportunity for the Senate to mark an important milestone on the long road to peace between Israel and the Palestinians. As we take note of this day, let us also reiterate once again that the successful conclusion of a comprehensive peace in the Middle East is in the United States national interest, and that we in the U.S. Senate stand firmly behind all those who are committed to achieving that peace.

AMENDMENT SUBMITTED

THE WORK OPPORTUNITY ACT OF 1995

SIMON (AND REID) AMENDMENT NO. 2681

Mr. SIMON (for himself and Mr. REID) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence; as follows:

At the appropriate place, insert the following new title:

TITLE ____—COMMUNITY WORKS PROGRESS ACT

SEC. ___00. SHORT TITLE.

This title may be cited as the "Community Works Progress Act".

SEC. ___01. FUNDING FOR COMMUNITY WORKS PROGRESS PROGRAMS.

(a) SET-ASIDE OF AMOUNTS FROM BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.—

(1) REDUCTION IN STATE FAMILY ASSISTANCE GRANT AMOUNT.—Notwithstanding section 403(a)(1)(A) of the Social Security Act, as added by section 101(b) of this Act, no eligible State shall receive a grant in an amount equal to the amount otherwise determined under such section unless such amount is reduced by the amount determined under paragraph (2).

(2) AMOUNT DETERMINED.—The amount determined under this paragraph is the amount which bears the same ratio to $240,000,000 (or, $240,000,000 reduced by the amount, if any, available for such fiscal year in accordance with subsection (c), whichever is lesser) as the amount otherwise determined for such State under section 403(a)(2)(A) of the Social Security Act, as added by section 101(b) of this Act, (without regard to the reduction determined under this paragraph) bears to $16,795,323,000.

(3) USE OF AMOUNTS APPROPRIATED FOR BLOCK GRANT.—Notwithstanding section 403(a)(4)(A) of the Social Security Act, as added by section 101(b) of this Act, $240,000,000 of the amounts appropriated under such section shall be used for the purpose of paying grants beginning with fiscal years after fiscal year 1996 to States for the operation of community works progress programs. Such amounts shall be paid to States in accordance with the requirements of this title and shall not be subject to any requirements of part A of title IV of the Social Security Act.

(b) LIMITATIONS ON COSTS.—

(1) ADMINISTRATIVE EXPENSES.—Not more than 10 percent of the amount of each grant awarded to a State may be used for administrative expenses.

(2) COMPENSATION AND SUPPORTIVE SERVICES.—Not less than 70 percent of the amount of each grant awarded to a State may be used to provide compensation and supportive services to project participants.

(3) WAIVER OF COST LIMITATIONS.—The limitations under paragraphs (1) and (2) may be waived for good cause, as determined appropriate by the Secretary.

(c) AMOUNTS REMAINING AVAILABLE FOR STATE FAMILY ASSISTANCE GRANTS.—Any amounts appropriated for making grants under this title for a fiscal year under section 403(a)(4)(A)(i) of the Social Security Act (42 U.S.C. 603(a)(2)(A)(4)(A)(i)) that are not paid as grants to States in accordance with this title in such fiscal year shall be available for making State family assistance grants for such fiscal year in accordance with subsection (a)(1) of such section.

SEC. ___01A. ESTABLISHMENT.

In the case of any fiscal year after fiscal year 1996, the Secretary of Labor (hereafter referred to in this title as the "Secretary") shall award grants to 4 States for the establishment of community works progress programs.

SEC. ___02. DEFINITIONS.

For purposes of this title:

(1) COMMUNITY WORKS PROGRESS PROGRAM.—The terms "community works progress program" and "program" mean a program designated by a State under which the State will select governmental and nonprofit entities to conduct community works progress projects which serve a significant public purpose in fields such as health, social service, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety, and child care.

(2) COMMUNITY WORKS PROGRESS PROJECT.—The terms "community works progress project" and "project" mean an activity conducted by a governmental or nonprofit entity that results in a specific, identifiable service or product that, but for this title, would not otherwise be done with existing funds and that supplements but does not supplant existing services.

(3) NONPROFIT ENTITY.—The term "nonprofit entity" means an organization—

(A) described in section 501(c) of the Internal Revenue Code of 1986; and

(B) exempt from taxation under section 501(a) of such Code.

SEC. ___03. APPLICATIONS BY STATES.

(a) IN GENERAL.—Each State desiring to conduct, or to continue to conduct, a community works progress program under this title shall submit an annual application to the Secretary at such time and in such manner as the Secretary shall require. Such application shall include—

(1) identification of the State agency or agencies that will administer the program and be the grant recipient of funds for the State, and

(2) a detailed description of the geographic area in which the project is to be carried out, including such demographic and economic data as are necessary to enable the Secretary to consider the factors required by subsection (b).

(b) CONSIDERATION OF APPLICATIONS.—

(1) IN GENERAL.—In reviewing all applications received from States desiring to conduct or continue to conduct a community works progress program under this title, the Secretary shall consider—

(A) the unemployment rate for the area in which each project will be conducted,

(B) the proportion of the population receiving public assistance in each area in which a project will be conducted,

(C) the per capita income for each area in which a project will be conducted,

(D) the degree of involvement and commitment demonstrated by public officials in each area in which projects will be conducted,

(E) the likelihood that projects will be successful,

(F) the contribution that projects are likely to make toward improving the quality of life of residents of the area in which projects will be conducted,

(G) geographic distribution,

(H) the extent to which projects will encourage team approaches to work on real, identifiable needs,

(I) the extent to which private and community agencies will be involved in projects, and

(J) such other criteria as the Secretary deems appropriate.

(2) INDIAN TRIBES AND URBANIZED AREAS.—

(A) IN GENERAL.—The Secretary shall ensure that—

(i) one grant under this title shall be awarded to a State that will conduct a community works progress project that will serve one or more Indian tribes; and

(ii) one grant under this title shall be awarded to a State that will implement a community works progress project in a city that is within an Urbanized Area (as defined by the Bureau of the Census).

(B) INDIAN TRIBE.—For purposes of this paragraph, the term "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C.A. 1601 et seq.), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(c) MODIFICATION TO APPLICATIONS.—If changes in labor market conditions, costs, or other factors require substantial deviation from the terms of an application approved by the Secretary, the State shall submit a modification of such application to the Secretary.

SEC. ___04. PROJECT SELECTION BOARD.

(a) ESTABLISHMENT.—Each State that receives a grant under this title shall establish a Project Selection Board (hereafter referred to as the "Board") in the geographic area or areas identified by the State under section ___03(b)(2).

(b) MEMBERSHIP.—

(1) IN GENERAL.—Each Board shall be composed of 13 members who shall reside in the geographic area identified by the State under section ___03(b)(2). Subject to paragraph (2), the members of the Board shall be appointed by the Governor of the State in consultation with local elected officials in the geographic area.

(2) REPRESENTATIVES OF BUSINESS AND LABOR ORGANIZATIONS.—The Board—

(A) shall have at least one member who is an officer of a recognized labor organization; and

(B) shall have at least one member who is a representative of the business community.

(c) DUTIES OF THE BOARD.—The Board shall—

(1) recommend appropriate projects to the Governor;

(2) select a manager to coordinate and supervise all approved projects; and

(3) periodically report to the Governor on the project activities in a manner to be determined by the Governor.

(d) VETO OF A PROJECT.—One member of the Board who is described in subparagraph (A) of subsection (b)(2) and one member of the Board who is described in subparagraph (B) of such subsection shall have the authority to veto any proposed project. The Governor shall determine which Board members shall have the veto authority described under this subsection.

(e) TERMS AND COMPENSATION OF MEMBERS.—The Governor shall establish the terms for Board members and specify procedures for the filling vacancies and the removal of such members. Any compensation or reimbursement for expenses paid to Board members shall be paid by the State, as determined by the Governor.

SEC. ___05. PARTICIPATION IN PROJECTS.

(a) IN GENERAL.—To be eligible to participate in projects under this title, an individual shall be—

(1) receiving, eligible to receive, or have exhausted unemployment compensation under an unemployment compensation law of a State or of the United States,

(2) receiving, eligible to receive, or at risk of becoming eligible to receive, assistance under a State program funded under part A of title IV of the Social Security Act,

(3) a noncustodial parent of a child who is receiving assistance under a State program funded under part A of title IV of the Social Security Act,

(4) a noncustodial parent who is not employed, or

(5) an individual who—

(A) is not receiving unemployment compensation under an unemployment compensation law of a State or of the United States;

(B) if under the age of 20 years, has graduated from high school or is continuing studies toward a high school equivalency degree;

(C) has resided in the geographic area in which the project is located for a period of at least 60 consecutive days prior to the awarding of the project grant by the Secretary; and

(D) is a citizen of the United States.

(b) WORK ACTIVITY UNDER BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.—For purposes of section 404(c)(3) of the Social Security act, as added by section 101(b) of this Act, the term 'work activity' includes participation in a community works progress program.

SEC. ___06. MANDATORY PARTICIPATION.

Able-bodied individuals who reside in a project area and who have received assistance under a State program funded under part A of title IV of the Social Security Act for more than 5 weeks shall be required to participate in a project unless—

(1) the project has no available placements; or

(2) the individual is a single custodial parent caring for a child age 5 or under and has a demonstrated inability to obtain needed child care, for 1 or more of the following reasons:

(A) Unavailability of appropriate child care within a reasonable distance of the individual's home or work site.

(B) Unavailability or unsuitability of informal child care by a relative or under other arrangements.

(C) Unavailability of appropriate and affordable formal child care arrangements.

SEC. ___07. HOURS AND COMPENSATION.

(a) DETERMINATION OF COMPENSATION.—

(1) IN GENERAL.—Except as provided in paragraph (2) project participants in a community works progress project shall be paid the applicable Federal or State minimum wage, whichever is greater.

(2) EXCEPTIONS.—If a participant in a community works progress project is—

(A) eligible for benefits under a State program funded under part A of title IV of the Social Security Act and such benefits exceed the amount described in paragraph (1), such participant shall be paid an amount that exceeds by 10 percent of the amount of such benefits; or

(B) eligible for benefits under an unemployment compensation law of a State or the United States such benefits exceed the amount described in paragraph (1), such participant shall be paid an amount that exceeds by 10 percent the amount of such benefits.

(b) WORK REQUIREMENTS RELATED TO PARTICIPATION.—

(1) IN GENERAL.—

(A) MAXIMUM HOURS.—In order to assure that each individual participating in a project will have time to seek alternative employment or to participate in an alternative employability enhancement activity, no individual may work as a participant in a project under this title for more than 32 hours per week.

(B) REQUIRED JOB SEARCH ACTIVITY.—Individuals participating in a project who are not receiving assistance under a State program funded under part A of title IV of the Social Security Act or unemployment compensation under an unemployment compensation law of a State or of the United States shall be required to participate in job search activities on a weekly basis.

(c) COMPENSATION FOR PARTICIPANTS.—

(1) PAYMENTS OF ASSISTANCE UNDER A STATE PROGRAM FUNDED UNDER PART A OF TITLE IV AND UNEMPLOYMENT COMPENSATION.—Any State agency responsible for making a payment of benefits to a participant in a project under a State program funded under part A of title IV of the Social Security Act or under an unemployment compensation law of a State or of the United States may transfer such payment to the governmental or nonprofit entity conducting such project and such payment shall be made by such entity to such participant in conjunction with any payment of compensation made under subsection (a).

(2) TREATMENT OF COMPENSATION OR BENEFITS UNDER OTHER PROGRAMS.—

(A) HIGHER EDUCATION ACT OF 1965.—In determining any grant, loan, or other form of assistance for an individual under any program under the Higher Education Act of 1965, the Secretary of Education shall not take into consideration the compensation and benefits received by such individual under this section for participation in a project.

(B) RELATIONSHIP TO OTHER FEDERAL BENEFITS.—Notwithstanding any other provision of law, any compensation or benefits received by an individual under this section for participation in a community works progress project shall be excluded from any determination of income for the purposes of determining eligibility for benefits under a State program funded under part A of title IV, title XVI, and title XIX of the Social Security Act, or any other Federal or federally assisted program which is based on need.

(3) SUPPORTIVE SERVICES.—Each participant in a project conducted under this title shall be eligible to receive, out of grant funds awarded to the State agency administering such project, assistance to meet necessary costs of transportation, child care, vision testing, eyeglasses, uniforms and other work materials.

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SEC. ___08. ADDITIONAL PROGRAM REQUIREMENTS.

(a) NONDUPLICATION AND NONDISPLACEMENT.—

(1) NONDUPLICATION.—

(A) IN GENERAL.—Amounts from a grant provided under this title shall be used only for a project that does not duplicate, and is in addition to, an activity otherwise available in the State or unit of general local government in which the project is carried out.

(B) NONPROFIT ENTITY.—Amounts from a grant provided to a State under this title shall not be provided to a nonprofit entity to conduct activities that are the same or substantially equivalent to activities provided by a State or local government agency in which such entity resides, unless the requirements of paragraph (2) are met.

(2) NONDISPLACEMENT.—

(A) IN GENERAL.—A governmental or nonprofit entity shall not displace any employee or position, including partial displacement such as reduction in hours, wages, or employment benefits, as a result of the use by such entity of a participant in a project funded by a grant under this title.

(B) LIMITATION ON SERVICES.—

(i) DUPLICATION OF SERVICES.—A participant in a project funded by a grant under this title shall not perform any services or duties or engage in activities that would otherwise be performed by any employee as part of the assigned duties of such employee.

(ii) SUPPLANTATION OF HIRING.—A participant in a project funded by a grant under this title shall not perform any services or duties or engage in activities that will supplant the hiring of other workers.

(iii) DUTIES FORMERLY PERFORMED BY ANOTHER EMPLOYEE.—A participant in a project funded by a grant under this title shall not perform services or duties that have been performed by or were assigned to any presently employed worker, employee who recently resigned or was discharged, employee who is subject to a reduction in force, employee who is on leave (terminal, temporary, vacation, emergency, or sick), or employee who is on strike or who is being locked out.

(b) FAILURE TO MEET REQUIREMENTS.—The Secretary may suspend or terminate payments under this title for a project if the Secretary determines that the governmental or nonprofit entity conducting such project has materially failed to comply with this title, the application submitted under this title, or any other terms and conditions of a grant under this title agreed to by the State agency administering the project and the Secretary.

(c) GRIEVANCE PROCEDURE.—

(1) IN GENERAL.—Each State conducting a community works progress program or programs under this title shall establish and maintain a procedure for the filing and adjudication of grievances from participants in any project conducted under such program, labor organizations, and other interested individuals concerning such program, including grievances regarding proposed placements of such participants in projects conducted under such program.

(2) DEADLINE FOR GRIEVANCES.—Except for a grievance that alleges fraud or criminal activity, a grievance under this paragraph shall be filed not later than 6 months after the date of the alleged occurrence of the event that is the subject of the grievance.

(d) TESTING AND EDUCATION REQUIREMENTS.—

(1) TESTING.—Each participant in a project shall be tested for basic reading and writing competence prior to employment under such project.

(2) EDUCATION REQUIREMENT.—

(A) FAILURE TO SATISFACTORILY COMPLETE TEST.—Participants who fail to complete satisfactorily the basic competency test required in paragraph (1) shall be furnished counseling and instruction. Those participants who lack a marketable skill must attend a technical school or community college to acquire such a skill.

(B) LIMITED ENGLISH.—Participants with limited English speaking ability may be furnished such instruction as the governmental or nonprofit entity conducting the project deems appropriate.

(e) COMPLETION OF PROJECTS.—

(1) IN GENERAL.—A governmental or nonprofit entity conducting a project or projects under this title shall complete such project or projects within the 2-year period beginning on a date determined appropriate by such entity, the State agency administering the project, and the Secretary.

(2) MODIFICATION.—The period referred to in paragraph (1) may be modified in the discretion of the Secretary upon application by the State in which a project is being conducted.

SEC. ___09. EVALUATIONS AND REPORTS.

(a) BY THE STATE.—Each State conducting a community works progress program or programs under this title shall conduct ongoing evaluations of the effectiveness of such program (including the effectiveness of such program in meeting the goals and objectives described in the application approved by the Secretary) and, for each year in which such program is conducted, shall submit an annual report to the Secretary concerning the results of such evaluations at such time, and in such manner, as the Secretary shall require. The report shall incorporate information from annual reports submitted to the State by governmental and nonprofit entities conducting projects under the program. The report shall include an analysis of the effect of such projects on the economic condition of the area, including their effect on welfare dependency, the local crime rate, general business activity (including business revenues and tax receipts), and business and community leaders' evaluation of the projects' success. Up to 2 percent of the amount granted to a State may be used to conduct the evaluations required under this subsection.

(b) BY THE SECRETARY.—The Secretary shall submit an annual report to the Congress concerning the effectiveness of the community works progress programs conducted under this title. Such report shall analyze the reports received by the Secretary under subsection (a).

SEC. ___10. EVALUATION.

Not later than October 1, 2000, the Secretary shall submit to the Congress a comprehensive evaluation of the effectiveness of community works progress programs in reducing welfare dependency, crime, and teenage pregnancy in the geographic areas in which such programs are conducted.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, September 13, 1995, to conduct a hearing on the status and effectiveness of the sanctions on Iran.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Wednesday, September 13, 1995, beginning at 9 a.m., in room 485 of the Russell Senate Office Building on the nomination of Paul M. Homan to be special trustee for the Office of Special Trustee for American Indians in the Department of the Interior.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITEE ON THE JUDICIARY

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on September 13, 1995, at 10 a.m. to hold a hearing on "Ninth Circuit Split."

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, September 13, 1995, at 10 a .m. to hold an open hearing on Intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON IMMIGRATION

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Immigration Subcommittee of the Committee on the Judiciary be authorized to meet during the session of the Senate on September 13, 1995, at 2 p.m. to hold a hearing on "Legal Immigration Reform."

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COMMENTS

TIME TO FACE THE TRUTH ON PRISONS

• Mr. SIMON. Mr. President, the recent news that we now have over a million people in our State and Federal prisons, and over half a million in our local and county jails, is unprecedented in this country and perhaps unprecedented in any country.

We have to be looking for other answers than more and more prisons. And there are much better answers, both from the viewpoint of the dollar and from the viewpoint of humanity.

States are compounding the problem with passage of various legislation, such as "three strikes and you are out" in California.

A Chicago Tribune editorial commented recently on the State picture in Illinois. What it is really commenting on is about an attitude that exists, not only in Illinois, but in the Nation.

And what the editorial says makes a good deal of sense.

I ask that it be printed in the RECORD at this point.

The editorial follows:

[From the Chicago Tribune, Aug. 28, 1995]

TIME TO FACE THE TRUTH ON PRISONS

Now that Gov. Jim Edgar has signed the state's new truth-in-sentencing legislation, someone is going to have to figure out how to make it work before there is a disaster in the prison system. The governor is willing, but the responsibility belongs squarely with the General Assembly that created this time bomb.

When the legislature passed the law, it is a pity that it wasn't accompanied by truth-in-legislation legislation to give the public an honest portrayal of the costs. Instead, it pandered to the popular appeal of getting tougher on serious crime without regard to the consequences and without providing the resources to handle the added burden on the prisons.

Among other things, the law requires that convicted murderers must serve their entire sentences and those convicted of other serious crimes—attempted murder, rape, kidnapping, armed robbery—must serve at least 85 percent. That certainly resonates strongly with a public continually outraged by stories of violent offenders who serve half their time and commit other heinous acts when released. And certainly prison space and stern punishment ought to be reserved primarily for the worst offenders.

Truth in sentencing, however, focuses on getting felons into prison and keeping them there longer; it ignores the impact and fosters a myth that there will be no effect on the general prison population.

There will be a dramatic effect. According to the state Department of Corrections, it will add the equivalent of some 3,800 inmates at a cost of $320 million over the next 10 years—an impact that will escalate in succeeding years. And these will be the hardest cases, stuffed into a prison system that already is seriously overcrowded and may be out of space next year.

Anticipating this, Edgar proposed adding some 4,800 cells to the system, but the legislature—primarily because of Democratic opposition—cynically rebuffed his request for bonding authority. In short, the legislature was eager to flood the prisons with new inmates but not to pay the bill.

Now Edgar is proposing a different strategy; contracting with private firms to build a new prison and two work camps and add cells to eight existing prisons. The state would lease the facilities and run them.

There is merit to the idea in that it could get the job done, and the governor deserves credit for trying. But the answer is not some gambit to bypass the legislature; it is for the legislature to face its obligation.

First it must concede what it is not telling the public; that for every prisoner pushed into the system, someone must be pushed out the other end—perhaps sooner than the public will tolerate. Or the overcrowding will get worse, raising the risk of inmate violence and riots, and ultimately inviting federal court intervention to force Illinois to clean up its act.

If more prison space is the solution, the General Assembly must provide the money. If not, it must expand the concept of innovative alternative sentencing for non-violent offenders and revisit the state criminal code—reducing the penalties for lesser offenses and giving judges more discretion.

Truth in sentencing is an easy answer to serious concerns. There is no easy way out of the problems that it will create, and it's time to stop the pretense.●

THE AMERICAN PROMISE

● Mr. WARNER. Mr. President, as has been said many times before, ours is the only nation founded on an idea—the idea of democracy. No idea is more American. Yet the idea of democracy is neither simply defined, nor easily described. American democracy expresses itself in endless variations.

I rise today, Mr. President, to remind my colleagues of the grassroots democracy, taking place every day in communities across the United States, which is literally vital to the life of the Nation, yet too often ignored in the chambers of this Capitol. With that in mind, I recommend to you "The American Promise," an important new PBS television series celebrating community-based democracy. "The American Promise," a 3-hour program, makes its national broadcast premiere on October 1, 2 and 3.

Here in Washington, we conduct democracy's most visible work. It is the democracy studied in political science classrooms and reported by our newspapers, magazines, and television programs.

We arrive here after elections, propose and study legislation, and then vote on competing proposals. It is a fact that each stage of the process has winners and losers. By necessity, we live and work in a world of partisanship and competition. Before any proposal becomes the law of the land, it must be debated, tested and its consequences thoroughly understood by the people and by us, the people's representatives,

Not surprisingly, this world in which we are immersed leaves many citizens frustrated and cynical. Too often, this version of democracy seems to be nothing but a political contest. Who is up? Who is down? How do yesterday's events affect the power to get things done tomorrow? Our standing is judged by an extraordinarily sensitive barometer, instantaneously reflecting each small political success and failure.

Our work here in Washington is but one form of American democracy—we would be seriously mistaken to think otherwise. We must never lose sight of the fact that American democracy is larger and more diverse than the business conducted here in this Capitol. In community after community across America, in ways great and small, citizens decide every day to become part of the democratic process—they decide what they want. They join an organization; build a better mousetrap; question why flawed practices can't be changed; engage in respectful civil debate, and shoulder the responsibility to make hard decisions.

When this happens, there are no losers. American democracy comes to life and everybody in the community wins.

So strong is my belief in the importance of grassroots democracy that I can say it literally shaped my political career.

When I was appointed to the position of national administrator of the American Revolution Bicentennial Administration in 1974, my goal was simple: to encourage the maximum number of people across America to become involved in the programs they—not government—desired to honor their local communities and our great Nation. We wanted our Nation's 200th birthday to be celebrated in a simple, historic way, with maximum participation on the "Village Greens" of every crossroad, town, and city in America. I will never forget the wonderful breadth of experience I had over the next two years, working with citizens, local groups, service clubs, organizations, City Councilmen, Mayors, and Governors. America's birthday was celebrated America's way, from every vantage point across the country.

There is no better antidote to doubts about our Nation's future than grassroots democracy.

Happily, "The American Promise" reminds us all of the community-based democracy found beyond this Capitol. In so doing, it restores our faith in the idea of democracy, the idea of America, and the wonderful, limitless potential for our Nation's future.

In some fifty different story segments from every region of the United States, lessons are offered on the skills and values needed to bring democracy to life. They illustrate core American values—freedom, responsibility, opportunity, participation, and deliberation. Special historical reenactments are included, the first set in 1769, in the streets of Colonial Williamsburg. We watch as a young Thomas Jefferson, along with Patrick Henry, Colonel George Washington, Peyton Randolph, George Mason, Richard Henry Lee, and others take the first steps toward freedom. In the House of Burgesses, in a local tavern, on the streets, the group draws up Virginia's plans to boycott English goods. We hear Washington's words: "How far their attention to our rights and privileges is to be awakened or alarmed by starving their trade and manufacturers remains to be tried." Viewers will see our Founding Fathers starting a rebellion that will gather strength for 7 more years before it takes the form of the Declaration of Independence.

That is a sobering thought: our freedoms were not won by crazy revolutionaries on a field of battle, but rather through years of meetings, of talk, of debate and compromise. It is a true reminder of the communal instincts that helped form our great Nation.

The October premiere of "The American Promise" will be just the beginning of the program's contributions. It will then be put to use in high school and junior high school classrooms throughout the country, as an instructional tool on civics and community-based democracy.

The National Council on the Social Studies has endorsed the program. Farmers Insurance Group, the program's corporate sponsor, has pledged to make the video, teaching guides, and classroom materials available to all interested schools and teachers at no cost.

Mr. President, I urge my colleagues and viewers across America to watch this important and instructional program. And I extend my commendation and appreciation to the Farmers Insurance Group, and its Chairman, Leo E. Denlea, Jr., for bringing this fine programming to us.

"The American Promise" reminds us of all that is good and right in America—and what we have to do to make good on America's bright future.●

BLACK STUDENTS LIVE DOWN TO EXPECTATIONS

Mr. SIMON. Mr. President, there is continued discussion, and will be until November 1996 at least, on the whole subject of affirmative action.

My strong belief is that affirmative action has been a good thing but, like any good thing, can be abused occasionally. Religion can be abused. Education can be abused. But that does not make religion and education a bad thing.

While we were in recess, the New York Times published an op-ed piece by Claude M. Steele, a professor of psychology at Stanford University and president-elect of the Western Psychological Association.

It gives a solid analysis of affirmative action at the collegiate level.

It is important enough to call to the attention of my colleagues, who may not have seen it, and to others who may read the CONGRESSIONAL RECORD.

I ask that it be printed in the RECORD at this point.

The material follows:

[New York Times; Thursday, Aug. 31, 1995]

BLACK STUDENTS LIVE DOWN TO EXPECTATIONS

(By Claude M. Steele)

STANFORD, CA.—The debate over affirmative action on college campuses has become dangerously distanced from facts. The issue has taken on such an ideological fervor that votes, Presidential and otherwise, are hanging in the balance. In the fray, the image of African-American college students has taken a beating.

Opponents of affirmative action claim that it pushes African-American students into schools where they can't compete and where, with the stigma they bear as "special admits," they get lower grades and drop out more than other students.

It is true that these students have their troubles, suffering a college dropout rate hovering near 70 percent (against 40 percent for other students), with lower grades to match. Given such statistics, even supporters of affirmative action have faltered, too unsure themselves about the students' abilities to rise quickly or publicly to their defense.

In fact, most black college students are in school on the same terms as anyone else, not as a result of any racial preference. Still, as their fate goes, so goes our faith in affirmative action and in the ability of public policy to address racial and social problems. So a few facts and some new evidence can help in addressing some central questions.

Do the academic troubles of black students stem from their being underprepared for the competition?

This is a common complaint that has turned into conventional wisdom. But in fact there isn't much evidence of it. Very few minority students are admitted to any college beneath that school's cut-off for other students.

It is true that blacks have lower S.A.T. scores than other entering students. But the deficit in test scores—which are certainly flawed as predictors anyway—doesn't begin to explain why black students are more likely to drop out and get bad grades once they begin college. Besides, this "underperformance" is just as common among black students entering with very high test scores and grades as it is among those with weaker credentials.

One thing is clear: If affirmative action is failing by not producing more successful black college students, it is not because they have been placed where they can't compete.

If it isn't a lack of preparation, then what is depressing their performance?

Recent research by my colleagues and me points to a disruptive pressure tied to racial stereotypes that affects these students. The pressure begins simply enough, with a student's knowledge that negative stereotypes about his group could apply to him—that he could be judged by this perception, treated in terms of it, even that he could fulfill it.

Black students know that the stereotypes about them raise questions about their intellectual ability. Quite beside any actual discriminatory treatment, they can feel that their intelligence is constantly and everywhere on trial—and all this at a tender age and on difficult proving ground.

They may not believe the stereotype. But it becomes a threating hypothesis that they can grow weary of fending off—much as a white student, for example, can grow weary of fending off the stereotype that his group is racist.

Everyone is subject to some form of what I call "stereotype vulnerability." The form that black students suffer from can hurt them where it matters, in academic performance. My research with Joshua Aronson shows that "stereotype vulnerability" can cost these students many points on exams like the S.A.T.

Over time, the pressure can push the students to stop identifying with achievement in school. They may even band together in doing this, making "disidentification" the pattern. For my money, the syndrome is at the root of black students' troubles in college.

If affirmative action contributes to this problem, it is less from the policy itself than from its implementation, often through a phalanx of "minority support" programs that, however well intended, reinforce negative stereotypes. Almost certainly, there would be persistent, troubling underperformance by minority students even if affirmative action programs were dismantled, just as there was before they existed.

Is there only reason to believe that affirmative action programs can alleviate this problem?

In the diagnosis may lie the seeds of a cure: Schools need to reduce the burden of suspicion these students are under. Challenging students works better than dumbing down their education. Framing intelligence as expandable rather than as a set, limiting trait makes frustration a signal to try harder, not to give up. Finally, it is crucial that the college convey, especially through relationships with authoritative adults, that it values them for their intellectual promise and not just because of its own openness to minorities.

My colleagues (Steven Spencer, Mary Hummel, David Schoem, Kent Harber and Richard Nisbett) and I incorporated these and other principles into a program at the University of Michigan for the last four years. The students, both white and minority, were selected randomly for the project and as freshmen were housed in the same dorm.

Through workshops and group study, all placing emphasis on the students' intellectual potential, the program eliminated the differential between black and white students' grades in freshman year for the top two-thirds of the black students.

It helped others as well; 92 percent of all the students in the group, white and black, were still in school after four years.

The successes of comparable programs—Urie Treisman's math workshops at the University of Texas, Georgia State's pre-engineering program, John Johnide's faculty mentoring project, also at Michigan—show that this approach can work.

But what about reverse discrimination? How much does this policy of inclusion cost in exclusion of others?

To know if affirmative action is displacing whites in admissions, you have to know if, among comparably qualified applicants, more minorities get in than whites.

Thomas Kane of Harvard University's Kennedy School of Government found that this seems to happen only in elite colleges, where the average S.A.T. score is above 1,100. These schools make up only 15 percent of our four-year colleges. There was no evidence of preference in admissions among the rest.

Moreover, in the elite schools, blacks don't often use the preference they get, choosing schools closer to home, perhaps, for various reasons. They rarely exceed 7 percent of the student body at the top schools. Overall, affirmative action causes little displacement of other students—less by far than other forms of preferences, like the one for children of alumni.

In our society, individual initiative is an indisputable source of mobility. But a stream of resources including money, education and contacts is also important. After all this time, even the black middle class has only tentative access to this stream. Affirmative action in college represents a commitment to fixing this, allowing those with initiative a wider aperture of opportunity.

If its opponents prevail and affirmative action is dumped, will the same people, so ostensibly outraged by the racial injustice of it, then step forward to address the more profound racial injustices?

I wouldn't bet on it and, in the meantime, let's talk about this policy frankly and pragmatically: how to improve it, when it should

be more inclusive, and how it should be made fairer.

To dump it now would be to hold some people, just beginning to experience a broader fairness in society, to a tougher standard than the rest of us have had to meet.•

APPLICABILITY OF REGULATION E FOR ALL ELECTRONIC BENEFIT TRANSFERS

• Mr. LIEBERMAN. Mr. President, earlier this year I introduced S. 131, a bill that would remove the applicability of regulation E of the Electronic Funds Transfer Act for all electronic benefits transfer [EBT] programs established under Federal, State, or local law, with the exception of when payments are made directly into a consumer's account. I introduced this legislation for the purposes of removing the barriers for States so that they could implement EBT. Although regulation E provides many protections for the consumer, the States see it as barrier to implementing EBT because it requires States to be liable for lost and stolen benefits over $50. This added liability could result in added administrative costs.

At the time I introduced this bill, I expected cash-assistance welfare programs to continue to be federally regulated. But now, it appears that our largest cash-assistance program for low-income people, Aid to Families With Dependent Children [AFDC], will be block granted and there will no longer be Federal oversight in many areas. Because of this, we must be somewhat more careful in exempting cash assistance and other welfare programs that use electronic benefit transfers from all of the provisions of regulation E. I want to explain why there may be problems in adopting the current language in the House welfare bill that exempts electronic benefit transfers [EBT] from regulation E.

Electronic benefit transfers are the transfers and distributions of Federal and State benefit programs through electronic banking techniques. The Electronic Fund Transfer Act governs all ATM transactions and point-of-service sales such as the use of your credit card or ATM card at the grocery store. The act assures individuals that their complaints about unauthorized uses and systems problems will be attended to in a timely manner. Other protections provided by regulation E include the disclosure of information to the consumer about their rights. I'm sure that most Members would agree that these provisions are fair and should be applied to welfare recipients as well as the general banking population. Indeed, States that currently have EBT already provide most of these services.

Under the Electronic Funds Transfer Act [EFTA] the cardholder is only responsible for up to $50 if the card is lost or stolen and benefits are withdrawn. EFTA requires cardholders to have a personal identification number [PIN] which should prevent unauthorized withdrawal of benefits even if the card is stolen. This number should only be known by the recipient so if the card is stolen, the thief would not be able to gain access to the benefits. In an EBT system, if money is stolen from the account the State would be liable for all benefits beyond the $50 limit. This single provision opens EBT to fraud and abuse which could result in very high costs to the States. The States have said that this potential liability would prevent them from going forward with the implementation of EBT programs.

EBT holds many benefits for the administering agency and the recipient. EBT delivers benefits more cost-effectively and eliminates the need to print and process food stamps. It also eliminates postal fees for sending out checks and authorizing documents. It can provide substantial protections against fraud and theft. There is a successful EBT demonstration project in Ramsey County, MN. Ninety-five percent of recipients in Ramsey County prefer EBT over checks and food stamps. It allows recipients to have their monthly benefits on the date that they are available, instead of when the Postal Service finally delivers them. It also allows the recipient to bypass check cashing fees and to withdraw small amounts at a time, making them less of a target for mugging.

Senator DOLE's welfare reform proposal S. 1120, as well as Senator DASCHLE's proposed substitute, the Work First proposal, would exempt only food stamp benefits distributed by EBT from regulation E. I support these provisions, for now, because the Secretary of the U.S. Department of Agriculture would continue to have authority to ensure there are adequate protections. For example, it is my understanding that the Secretary could require the application of regulation E to food stamps if the States or banks abuse the system. But the same would not be true for AFDC if the Congress were to convert the program to a block grant for cash assistance. Under a block grant beneficiaries would have no recourse if banks or the State agencies did not act responsibly.

In contrast, the House has taken a different approach and has exempted all needs-tested Government programs that make use of EBT from regulation E. For reasons I have described, I do not think this is appropriate. I believe legislation that effects regulation E's application to EBT needs more thought. We need to consider how to minimize State liability while still maintaining protections for recipients using EBT. Congress should take the short-term step of eliminating the $50 liability limit. Other requirements of regulation E, such as the requirement to address complaints in a timely manner, may continue to be necessary to ensure that recipients in Federal cash-assistance welfare programs are treated fairly. The Federal Reserve Board has already determined that regulation E shall apply to all EBT programs as of February 1997. We need to act on this issue soon so that States will not see the impending implementation of regulation E as a barrier to starting EBT programs. I would like to work with my colleagues to eliminate barriers to the States' use of EBT so that States will not be dissuaded from implementing EBT programs.•

TRIBUTE TO FANNIE MAE

• Mr. SIMON. Mr. President, I recently joined Mayor Daley, Fannie Mae President Larry Small, and others, in announcing Fannie Mae's "HouseChicago" plan. "HouseChicago" is a $10 billion, 7-year investment plan developed by Fannie Mae's Chicago Partnership Office, the City of Chicago and numerous local partners.

Fannie Mae was created by Congress as a federally-chartered, shareholder-owned corporation, whose mission is to make sure mortgage funds are readily available in every State of the Nation. I am proud to say Fannie Mae has done a tremendous job at fulfilling that mission, and I want to bring to the attention of my colleagues the following editorial by the Chicago Tribune regarding Fannie Mae's investment in the city of Chicago.

[From the Chicago Tribune, August 26, 1995]

FANNIE MAE'S HOME COOKIN'

It's hard to overstate the importance of home ownership to the success of a neighborhood.

Besides being a ticket to the middle-class, ownership gives people a larger stake in their communities. It makes them less tolerant of vandalism or drug-dealing and more likely to get involved in a block club or the PTA.

But as nearly every homeowner is reminded once a month, it's the mortgage-holder that really owns the house. It's the lender or, more often, the financial house that buys the mortgage from the lender whose investment is most at risk. That's why the note-holder gets first claim on the property should the purchaser fail to make payments.

And that's why lenders have strict standards about whom they will lend to and under what circumstances. But as lenders increasingly sell their mortgages on the so-called "secondary" market, it's the standards of the huge mortgage purchasing corporation that become key.

In that regard, recent initiatives by the Federal National Mortgage Association (Fannie Mae), the nation's largest repurchaser of home mortgages, deserve to be recognized and applauded.

Not to be confused with the local confectioner, Fannie Mae is a federally chartered, publicly traded corporation whose mission is to encourage private investment in residential mortgages. It recently struck a deal with the city to modify its underwriting standards in certain disadvantaged neighborhoods.

Participating lenders can now offer extra-low (3 percent) down payment terms to families earning up to 20 percent above the area median income of $51,300—if the house they are buying is located within the city's empowerment zone or certain other areas targeted by City Hall for redevelopment.

Some might call this an attempt at gentrification, but it means that middle-income families—and the stability they bring—will be lured into neighborhoods they might otherwise spurn as too risky.

Other Fannie Mae changes will make it easier for buyers of small apartment buildings to get conventional mortgages, as well as buyers participating in the city's New Homes For Chicago Program and the purchase-rehabilitation program run by a group called Neighborhood Housing Services of Chicago (NHS).

The bottom-line in Fannie Mae's "House Chicago" program will be $10 billion in private loans pumped into neighborhoods that might otherwise have to rely on federal mortgage insurance . . . with all the abuses those programs often bring.

It's not the candy company, but Fannie Mae is giving new meaning to "Sweet Home Chicago."

TONY ELROY McHENRY

Mr. WARNER. Mr. President, I rise today to pay special tribute to the life of Tony Elroy McHenry. Tony passed away September 9, 1995, and is remembered as a loving husband and son, and a devoted employee of the U.S. Senate.

Born the youngest son of Hugh O. and the late Janet W. McHenry, Tony claimed home in Fredericksburg, VA. Even as a young child, Tony always found a peacefulness in his faith; he was a life-long member of Beulah Baptist Church.

Tony was educated in Spotsylvania County at the John J. Wright Consolidated School and then Spotsylvania High School. He also attended Virginia State University.

On December 3, 1988, he and Piatrina A. Robinson were married. He is survived by his wife. Tony distinguished himself as an offset pressman for the U.S. Senate Service Department and friends remark on his quiet dignity and pride taken in his work. He always balanced professionalism and a courteous manner, certainly his trademarks.

Tony McHenry will be missed by family and friends: his smile, his warm and engaging personality, his earthly spirit.

ORDERS FOR TOMORROW

Mr. JEFFORDS. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9:15 a.m. on Thursday, September 14, 1995; that following the prayer, the Journal of proceedings be deemed approved to date; the time for the two leaders be reserved for their use later in the day, and there be a period for morning business until the hour of 10 a.m. with Senator BYRD to be recognized for up to 45 minutes; I further ask that at 10 a.m. the Senate immediately resume consideration of H.R. 4, the welfare reform bill under the provisions of the previous consent agreement; further, that if Senator DODD has not offered his amendment and therefore is not pending following the last rollcall votes in Thursday's series of votes, Senator SHELBY shall be recognized to call up amendment No. 2526.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. JEFFORDS. For the information of all Senators, the Senate will resume consideration of the welfare reform bill tomorrow morning at 10 a.m. Following 10 minutes of debate the Senate will begin a series of rollcall votes on or in relation to amendments to the welfare reform bill. All Senators should therefore expect the first rollcall vote on Thursday at approximately 10:10, to be followed by a series of votes with only 10 minutes of debate between each vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9:15 A.M. TOMORROW

Mr. JEFFORDS. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 8:56 p.m., recessed until Thursday, September 14, 1995, at 9:15 a.m.